









Ontario. Legislative Assembly

*Standing Committee on Supply.*

*Rebates*





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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Mines and  
Northern Affairs

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Thursday, June 3, 1971

JULY 6

Speaker: Honourable Fred McIntosh, C.M.A., Q.C.

Clerk: Roderick Lewis, Q.C.

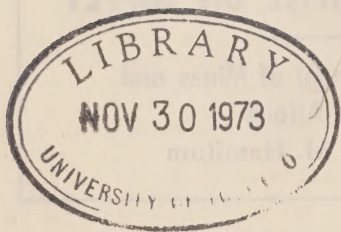
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# LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, JUNE 3, 1971

The committee met at 3:25 o'clock, p.m., in committee room No. 1; Mr. M. Hamilton in the Chair.

## ESTIMATES, DEPARTMENT OF MINES AND NORTHERN AFFAIRS

**Mr. Chairman:** At the outset I might say that in view of the fact that the minister cannot be available tonight and tomorrow, because of prior commitments, I would ask that, after the sitting this afternoon, the sittings be delayed until Monday afternoon next, if this meets with agreement.

**Mr. T. P. Reid (Rainy River):** On a point of order, Mr. Chairman. Why should we then proceed at all with these estimates this afternoon? This party was informed that the estimates of The Department of Mines and Northern Affairs were going to take place on Monday next. Our critic was so informed, and finds it impossible to be here today. Which means that I and my colleagues are going to have to stand in for that member.

Now if we are just going to have an opening statement today—and that is about what it amounts to—I would suggest to you most respectfully, sir, that we adjourn these proceedings and begin on Monday next with a clean slate and with the proper critic here.

I notice, and I believe I am right in suggesting, that the minister's deputy is not here; he does not have him present to back him up. In view of all these things I would request, Mr. Chairman, that we adjourn beginning these estimates of The Department of Mines and Northern Affairs until next Monday.

**Mr. E. Sargent (Grey-Bruce):** I second the motion.

**Mr. T. P. Reid:** I might point out further, Mr. Chairman, that when I came down here following the question period I walked in and the Minister of Labour (Mr. Carton) was in here with his briefcase prepared to begin his estimates. Now there has obviously been a foul-up.

**Mr. J. Root (Wellington-Dufferin):** No, no!

**Mr. M. Makarchuk (Brantford):** He was just making a social call.

**Mr. T. P. Reid:** He was in here; the Minister of Labour was in here, prepared to proceed with the estimates of The Department of Labour.

Interjections by hon. members.

**Mr. Chairman:** Order. This was set out on the order paper, that we were to follow The Department of Social and Family Services. I think this was known by all parties and we are here this afternoon to do just that.

**Mr. R. S. Smith (Nipissing):** This morning, the government whips said that they would not go ahead; that they would go with Labour.

**Mr. A. Carruthers (Durham):** No, no, you are wrong. I said there would be no change and that is exactly the way it is.

**Mr. R. S. Smith:** Well, who is responsible for changing it to Labour and then back to Mines?

**Mr. Carruthers:** In order to accommodate everybody we did talk in the House of changing to Labour.

**Mr. Sargent:** It is not accommodating us.

**Mr. T. P. Reid:** Our critic is not here. He was told that the estimates would begin next Monday.

**Mr. Carruthers:** That did not come from our office.

**Mr. R. S. Smith:** Who told him?

**Mr. Carruthers:** He phoned the department—

**Mr. T. P. Reid:** In that case, what is more important for the Deputy Minister of Mines and Northern Affairs than the estimates? Where is he today?

**Mr. W. Ferrier (Cochrane South):** He is up in Timmins.

**Mr. W. Newman (Ontario South):** Mr. Chairman, may I say this: We are here to

deal with the order of business of this House that we are elected to be here for. The order paper calls for The Department of Mines and Northern Affairs estimates to start today and I feel we should proceed.

**Mr. Chairman:** It is my determination that we will proceed with the estimates of The Department of Mines and Northern Affairs this afternoon as is set out on the order paper of today, in which it states the standing natural and physical resources committee will meet concurrently with the House to consider the estimates of The Department of Mines and Northern Affairs.

**Mr. Minister,** have you a preliminary statement?

**Hon. L. Bernier** (Minister of Mines and Northern Affairs): Thank you, Mr. Chairman. Let me first express my appreciation to the committee for the co-operation and the very pleasant note we are starting out on.

**Mr. Sargent:** That will get you no place.

**Hon. Mr. Bernier:** As one member has pointed out, the deputy minister is busy with a mine rescue competition in Timmins and will not be with us for the rest of the afternoon.

**Mr. T. P. Reid:** Mine rescue competition? Is he judging it?

**Hon. Mr. Bernier:** He is there, yes.

**Mr. T. P. Reid:** And he finds that more important than being here for the estimates?

**Mr. R. K. McNeil** (Elgin): Well, your critic would rather be in court than here.

**Hon. Mr. Bernier:** He is not here. We will just carry on. Gentlemen, you will note that the expenditures of this particular department have increased slightly. We have the experts here on my left, and when I say the left I do not mean the far left—I mean on my immediate left.

**Mr. Ferrier:** Reasonable left. That would mean the New Democratic Party.

**Hon. Mr. Bernier:** And certainly we are prepared to answer the inquiries. You will note that this year for the first time we have a new programme which we will be examining. That is the Northern Affairs section.

**Mr. Sargent:** Do you have a new programme every time you have a new minister?

**Hon. Mr. Bernier:** Well, maybe we will. Time will tell.

**Mr. E. W. Martel** (Sudbury East): Progress!

**Hon. Mr. Bernier:** Anyway in the interests of time I will not prolong my remarks because I understand the opposition parties, both the official and the other, have some very lengthy statements to make. I know you want to examine the expenditures in detail. Without any further comments, Mr. Chairman, I think we can proceed.

**Mr. Chairman:** Mr. Reid, are you prepared to comment?

**Mr. T. P. Reid:** I am just overwhelmed, Mr. Chairman, with the ease and smoothness with which this party conducts itself. There goes the minister now.

**Mr. Chairman:** He will be back.

**Mr. T. P. Reid:** We might as well wait until the minister resumes his seat.

**Mr. McNeil:** He is there.

**Mr. T. P. Reid:** Mr. Chairman, I want to just reiterate that this party wants to go on record as being opposed to the proceedings here this afternoon. I think it is nothing but rank arrogance on the part of the Conservative Party, the government of this province, in running the affairs of the province this way. Just to reiterate, I would like to give you some background as to the situation here today, that we were told—

**Mr. R. S. Smith:** That does not enter into it.

**Mr. T. P. Reid:** We were told—I do not know exactly when—that the estimates of The Department of Mines and Northern Affairs would take place on Monday next.

**An hon. member:** This is irrelevant.

**Mr. T. P. Reid:** This morning, or rather this afternoon, we were informed that actually the estimates of The Department of Mines would, in fact, take place this afternoon. I came down here after the question period. I entered and the only member of the Legislature in here besides myself was the Minister of Labour (Mr. Carton) who was expecting and ready to proceed with his estimates.

**Hon. Mr. Bernier:** That is not right; he came down after we did.

**Mr. Martel:** Right.



**Mr. T. P. Reid:** Who did?

**Hon. Mr. Bernier:** He did.

**Mr. T. P. Reid:** He was in the room before, when I came in. You ask the Hansard people if you disbelieve me.

Secondly, and possibly more important, is the fact that the deputy minister of the department is not present here today. Now the whole point of these estimates in committee, particularly, is for the opposition to have an opportunity to question the staff of the various ministers.

**Mr. Chairman:** All members of the House, Mr. Reid.

**Mr. T. P. Reid:** All the members of the House for that matter; all right, fine. You do not have too many members from northern Ontario, if they do, they do not know what is going on up there anyway. In any case, the minister—

**Mr. Root:** Speak for yourself.

**An hon. member:** The minister is from northern Ontario, I will remind the member.

**Mr. Root:** Young members can be pretty sarcastic.

**Mr. T. P. Reid:** With the exception of the Minister of Mines—unfortunately, while he seems to have a fair idea of what is going on there, he has had no impact in convincing his colleagues that certain things should be done in the north.

In any case, we find ourselves confronted with the situation that the deputy minister of mines is up in Timmins judging, I gather, a mine rescue squad.

**Mr. Ferrier:** He is up for a banquet.

**Mr. T. P. Reid:** A banquet! Now I gather that the minister is trying to tell us that he, as the minister responsible for the actions of the deputy minister, feels that it is more important for the deputy minister to be up in Timmins attending one of those gala banquets than down here answering questions during the estimates of The Department of Mines and Northern Affairs.

**Mr. R. G. Hodgson (Victoria-Haliburton):** You are proving a point with that comment.

**Mr. Chairman:** Order! I think this matter is irrelevant to the estimates themselves.

**Mr. T. P. Reid:** It is relevant. How do you expect us to conduct these estimates when first

of all you do not give us sufficient notice and then the necessary people in the department are not present?

**Hon. Mr. Bernier:** They are!

**Mr. T. P. Reid:** You are making a farce of the whole exercise.

**Hon. Mr. Bernier:** I will answer all the questions you want, all of them.

**Mr. T. P. Reid:** You are, indeed—

**Hon. Mr. Bernier:** On any subject.

**Mr. McNeil:** The hon. member is the one who is making a farce out of the estimates. You are just not prepared, that is the problem.

**Mr. T. P. Reid:** There is one thing about this situation. We are getting inured to it in this party because you over there change your minds every five minutes.

**Mr. B. Gilbertson (Algoma):** Great government.

**Mr. T. P. Reid:** We cannot complain too much, I suppose, that we do not know what is going on when we realize that the government itself does not know what it going on. I recall to mind, Mr. Chairman—and you can recall this yourself, and my colleague from Nipissing who was there that day—when you were appointed chairman of the committee. We arrived at the committee room and all sat down and waited for the committee to start. And you, sir, were sitting there beside us, wondering who the chairman of the committee was.

**Mr. Gilbertson:** Mr. Chairman, is he going to harp all day?

**Mr. T. P. Reid:** Then the whip of the Conservative Party, who sits almost opposite me, came in, whispered in your pretty, pink, shell-like ear; a big smile suffused your face; you ran up and took over the chairmanship of the committee. You did not know five minutes before that committee started that you were appointed chairman by the Conservative whip.

**Mr. W. Newman:** That is the democratic process.

**Mr. Chairman:** Sometimes you are as well not to know something.

**Mr. T. P. Reid:** You people are about as organized as a lemming march to the sea. I kid you not, that is the direction you are heading.



Interjections by hon. members.

**Mr. T. P. Reid:** Mr. Chairman, I grasp a little bit, but I want that on the record.

In regard to the estimates, I go on to say that again it is rank arrogance, I think, on the part of this minister to come here today, ready to proceed, and then not make any statement on his estimates. This is his first time. The minister is relatively new; he has a lot to learn, of course, but surely this is your first opportunity, Mr. Minister, to present the estimates of The Department of Mines and Northern Affairs. You have an important new programme in the—

**Hon. Mr. Bernier:** I do not have to be chastised by the member for Rainy River if I am not prepared to make a statement. I will answer the questions.

**Mr. T. P. Reid:** Let me finish! I have listened to that great lengthy detailed presentation of the minister and now perhaps he can listen to me.

**Mr. W. Newman:** He is prepared.

**Mr. Sargent:** On a point of order.

**Mr. Gilbertson:** Mr. Chairman, let us get on.

**Mr. Sargent:** On a point of order. The minister is chastising my colleagues. He talks about a new programme; what was his new programme—30 seconds long.

**Mr. T. P. Reid:** This is the point exactly, Mr. Chairman; the minister did not see fit to make a statement. His portfolio has been changed to include The Department of Northern Affairs, an important new segment, particularly in northeastern and northwestern Ontario. Yet the minister does not see fit to make any statement at all about something that is vital to the north.

There are only two conclusions we can draw: One, he does not feel it is important; or two, that he hopes he can slip these estimates through because the opposition, he feels, must be sleeping somewhere.

**Mr. Ferrier:** Only the Liberal Party.

**Mr. T. P. Reid:** Why the minister would not take the time to make a statement is beyond me. It is his first opportunity. We want to hear what his views are; what his policy is; what his philosophy is in regard to this department. I suggest, Mr. Chairman, that it is most unfortunate that he did not do so.

Secondly, something that is in front of the public view and of great public interest is the situation in regard to the Niagara Escarpment. There were questions in the House today, Mr. Chairman, about quarries and pits on the Niagara Escarpment. Surely, it is of the utmost importance for the people of the Province of Ontario to have the minister's views in this regard on public record, so we know which way we are going on these things. Yet the minister said nothing.

What I would like to do in these estimates is get the minister's view on a number of programmes. We would like to know just what his views are in regard to pits and quarries not just on the Niagara Escarpment but across the province as a whole. I would like to know what his views are.

He made the statement, at least, he was quoted as saying that where there are minerals that are able to be mined—I am not sure of the distinction—minerals that are able to be mined, these minerals will be mined. Now that was a pretty blunt statement and we would like to know just what programmes the minister has in mind to make that statement a reality.

We all know that across this province there are many ore bodies which are held by various mining companies, usually the large ones; they are held and not developed so that they can accomplish one or two purposes. One, keep the price of the mineral up, and secondly, keep out competition.

We would like to have had a statement on that. Just what is the minister prepared to do? He makes these statements apparently in the public press, but does not come before the Legislature and explain them. We would like to know, for instance, what the minister's views are on establishing new communities in areas where a mine is to be located.

This, of course, also has to do with The Department of Municipal Affairs, but surely the responsible Minister of Mines should have some impact on his cabinet colleagues and on The Department of Municipal Affairs in this regard.

**Mr. J. E. Stokes (Thunder Bay):** They did at Ear Falls.

**Mr. T. P. Reid:** Yes they did, they really messed that one up. The minister, as a matter of fact, must take a lot of responsibility for the decision to build a community 30 miles from an established community and provide that community with all the necessary services at great expense not only to the people

living there, but to the taxpayer as a whole. We want assurance from this minister that he will not repeat his mistakes now that he has even more responsibility for these particular matters.

This party wanted a report on just how far the administration of the safety amendments to The Mining Act which were passed by this Legislature last year has gone? How beneficial it is? How it has been working out and whether there are amendments or regulations necessary to supplement that rather extensive and lengthy Act. Again, we get no response from the minister in his opening remarks.

The whole responsibility for things northern are just ignored by the minister. I suppose he is hopeful that we will get to some of these things on individual questions but the minister leaves very little to shoot at. In following, I suppose, the philosophy of the Davis government, you do not answer any questions, you do not make any but general statements so nobody can shoot at you. We, for one party, are most disappointed in the minister's approach in this regard.

I question the value of proceeding with these estimates this afternoon because the minister, being new to his department, does not have all the answers. He has hardly given a direct answer to any question asked him in the Legislature. Obviously, the man who should be here to back him and provide him with that knowledge is the deputy minister. The minister obviously has given him permission to be elsewhere today and we look upon this exercise this afternoon as rather futile and frustrating. I would say it is a direct slap in the face of all the members of the Legislature because you are doing nothing but abrogating the responsibility of the individual members of this Legislature by proceeding in this way.

**Mr. W. Newman:** That is a lot of nonsense.

**An hon. member:** He is perfectly right. Perfectly right.

**Mr. Chairman:** Preliminary statement by the NDP.

**Mr. Martel:** Thank you, Mr. Chairman. I want to congratulate the new minister. He is a northerner and I expect—

**Mr. Carruthers:** That is better.

**Mr. Martel:** I expect great things from this northern member because I can recall in 1966, in a by-election in Kenora which I happened to be working in—

**Mr. T. P. Reid:** No wonder the NDP lost.

**Mr. Martel:** Well, we won Brant the other day. I suggest that the member look at Brant where his leader's riding took a real lacing last Monday. But I recall listening to the minister on those occasions, when I worked in this by-election—

**Mr. Stokes:** Hypocrisy.

**Mr. Martel:**—and he gave the Tory party a rough ride. In fact, he did not sound like a Tory at all. I hope he carries that enthusiasm into the cabinet with him.

**Hon. Mr. Bernier:** Always, you can be sure of that.

**Mr. Martel:** We are going to be looking for it.

Well, Mr. Minister, your predecessor scooped you. He was really on the ball. He became the minister on February 13, in 1967, I believe—not much different to the time you did, only some years later—and do you know, he managed to get his picture in this book, along with the former minister. You have not succeeded. You have not succeeded in getting your picture in that—

**Hon. Mr. Bernier:** If I might interrupt, I might say that it was in the interest of saving money to the general taxpayer that we did not change the pictures.

**Mr. Martel:** Well, then, the former minister must have been an extravagant sort of fellow because I noted with interest as I went through these four documents over the past years, I believe in one year your predecessor managed to get himself photographed 13 times in one book, nine in another and 11 in yet another. He loved himself, Mr. Minister.

If he had put as much effort into doing things for northern Ontario as he did getting himself photographed, we might have made some headway in northern Ontario but, as I say, you are already scooped by your predecessor. He got in in the same year and you did not.

That takes care of the niceties, Mr. Chairman. Now we get down to the nitty gritty, Mr. Minister and I want to range far and wide. I want to look at the legacy of the mining industry and what it has left in northern Ontario, as I read through the booklets that this department puts out and I want to read a few of them. They are glowing—

**Mr. W. Newman:** The whole book?



**Mr. Martel:** No, no, just a couple of excerpts to show you what The Department of Mines thinks the legacy has been:

Although there has been dips in a few—I will even by-pass that—

—the estimated total value of metals prior to 1891 when the Ontario Bureau, now The Department of Mines, was established, was \$9,520,269. No estimate of the output of non-metallics up to that time has been made. Between 1891 and 1899, the total mineral output was \$53 million.

I will not go into the other figures.

The overall total production was \$19,554,000,000.

This was 1967, and the department has the happy faculty of loving to quote these figures.

This was in your 1967 booklet—\$19 billion—unless my figures are wrong. I will give you the figures, you write them down—\$19,554,426,985.

**An hon. member:** That is one billion.

**Mr. Martel:** No, no, it is 19 billion.

**Mr. T. P. Reid:** That is kopeks, not dollars.

**Mr. Martel:** Call it what you want. That is the total. I am not talking about one year, I am talking about the accumulation and they love to deal in that sort of figure.

Then, the following year, Mr. Minister, they talk about the records. They just love to talk about records. Another new production record; we have set another record.

You know, this is great stuff and their discussion at this time is:

As a fitting encore to the achievement of 1967 when Ontario's mineral output topped the \$1 billion mark for the first time, 1968 was marked by a further increase of 12.2 per cent to bring the total production for the year to a new record high of \$1.3 billion.

And if you look around you can find that once again they add that to the cumulative total, and then they have the same nonsense—this love of figures—in 1970: "Production tops billion for third straight year and the overall total production, as of 1969, \$22.126 billion."

It goes on, Mr. Minister, and finally this year our legacy again—as far as this department is concerned and as far as the mining industry is concerned—the overall total production is now \$23.767 billion. That is on page 5. This department and the mining industry love these figures.

What has been the legacy for northern Ontario throughout this period, Mr. Minister—to one who comes from northern Ontario? It is a legacy of ghost towns, lost equity in homes when these towns close down and the man has lost his whole livelihood and a whole host of things.

I quote again from your 1970 book: "Principal developments and those that have closed down." And some of these names are Little Atikwa Lake, copper, one mine suspended; Geraldton, one gold mine suspended; Wawa, one gold mine suspended; Renabie, one gold mine suspended; Schreiber, zinc suspended; Colbalt, silver, cobalt, one mine under development, one mine suspended; Spragge, copper, one mine suspended; Elliot Lake, two mines suspended.

It goes on and on and every time one of these closes down, what happens to the people in those municipalities, Mr. Minister? Their whole equity which is tied up their home is lost. We have another hole in the ground. We have a tarpaper shack town left and people move out and they have lost their whole livelihood.

That is part of the legacy of northern Ontario, which you, Mr. Minister, are fully aware of—the holes in the ground and the ghost towns and the unemployment. I want to quote a few articles, Mr. Minister.

**Mr. Gilbertson:** How would you do it?

**Mr. Martel:** Just stay around and listen. The crisis in Cobalt at the present time—and I am just going to quote a few people, Mr. Minister—as they experience in 1971 the same problems which have gone on regularly for the last 40 or 50 years in northern Ontario—and this article is by Linda Deeble, a gal from Sudbury, who I imagine knows something about it, coming from a mining community, writing for the Toronto Telegram on Tuesday, December 22, 1970, and it deals with the silver mines:

A big man with grey-red hair, Charlie Grant, hunched over the dining room table of his wooden frame home in northern Cobalt, a small community two miles north-east, his face marked with 20 years in the mines. He picked at a hole in his T-shirt and began to speak slowly:

"I do not know how I am going to keep this family together. I have been trying to get a job since I got laid off but there just is not any work. They phoned me up from the mine on Friday and said it would be the last shift. I brought the gear up from



underground, told my men, and that was it. No warning, no nothing."

A great legacy is it not, Mr. Minister? He goes on:

"I am now 48 and too old to pass the physical at another mine in Sudbury or Timmins, but I have been a miner all my life and I do not know how to do anything else. Besides, once you get a little older they do not want you anyway, they just hire the young guys."

I could go on, Mr. Minister. Another one, a Mr. Alain Durocher: He is not concerned about Christmas, he is more worried about the \$70 he owes his landlady since December 10 for the small rear apartment he rents on Silver Street. He said:

"We are really short of money right now, because this is the first time I have been out of a job since I came from Quebec just six years ago."

He lost his job when Glen Lake folded and said if there was no work by spring he would take his wife, Theresa, and children, Linda, 4, and Rose, 14 months, to Sudbury or Timmins. He is fortunate, Mr. Minister, he is young enough to get a job but the legacy—what about the old people?

We can talk about Geraldton, we can talk about them all over, as the mining companies come in and get their pound of flesh and get out, and the minister is well aware of this. The welfare roll—well let us take a look at the welfare rolls. Before I do that, here is another article about the same disaster area, and the comment here is by Dick Hunter, with United Steelworkers.

He challenged the government to encourage the building of industries connected with primary industry in the north, rolling mills, blast furnaces, furniture manufacturing plants. "They have to stop the exporting of the raw material out of here and leaving the people stranded. For every job in the mining industry here there are 400 in southern Ontario and the United States." I do not know if that figure is inflated, so just do not grab that one as a kind of a catch-all to argue down the basic problem of northern Ontario.

"There is enough iron ore in northern Ontario," he stressed, "to warrant a steel mill. Instead our ore is shipped to Dofasco in Hamilton, to Pittsburgh and other American cities," and I understand Nanticoke will get the new one—and where is Nanticoke situated?

So we have the unemployment—it is there all the time—because every time an ore body dies out, so too do people, in essence.

The population: What has this done, as a result, to population? Well the population growth from 1961-1969 in northeastern Ontario has been 8.5; northwestern Ontario, 4.1; the provincial average, 19.5.

The per capita income: Northeastern Ontario, \$1,691; northwestern region, \$1,881; the entire province, \$2,136. Northeastern Ontario is 20 per cent lower than the provincial average.

Take a look at the welfare rolls: Northeastern Ontario, 45.61; northwestern region, 45.80; the entire province, 37.81. Think back, Mr. Minister, to the statements I quoted from those four documents, of the \$22 billion we have taken out in the last 40 or 50 years and the great glee that always comes into these documents that we are taking out this much; but what the hell are we putting back in? Nothing, and we can see it in the per capita income, we can see it in the growth, we can see it in the welfare rolls. And what has this government done? Virtually nothing—and we are going to come to that in a few minutes.

Besides that, the monetary policy, which I want to come to—that this department has. How many towns, Mr. Minister, have you been in with no sewer, no water, no sidewalks, poor roads, improper lighting, no storm sewers, and it goes on and on across northern Ontario?

Mr. R. Haggerty (Welland South): Southern Ontario too.

Mr. Martel: Who commented?

Mr. Haggerty: Southern Ontario is in the same fix as you are.

Mr. Martel: Well you had better come up north and see. You should come out of the south just for a change. The legacy goes on, Mr. Minister, does it not, year after year, and year after year we see these stupid figures which mean absolutely nothing to the people of northern Ontario; because, if anything it just irritates them that they see this much being exploited from the north in mineral wealth and in return virtually nothing.

Let us take a look at your own study, Mr. Minister—

Mr. Gilbertson: How about thriving Sudbury where you come from? How about all the new cars they are driving, the beautiful homes—

**Mr. Stokes:** Tell us about Blind River.

**Mr. Martel:** I want to ask the member for Algoma (Mr. Gilbertson) if he has been into areas like Chelmsford and Azilda and Hammer and Val Caron, where there are 25,000 people and there are no sewers and there is no water and no lighting—

**Mr. Root:** Oh come on, Chelmsford has water and sewers.

**Mr. Martel:** Oh, come on. They are expanding and you know it. You just finished your tank. You came in there with great fanfare a year ago to open this up.

**Mr. Root:** We opened the sewage plant up there two years ago.

**Mr. Martel:** And it is still inadequate to meet the needs, and you know it.

**Mr. Root:** Because the town is growing.

**Mr. Martel:** Right, the town is growing.

**Mr. McNeil:** You should not mislead the committee again.

**Mr. P. J. Yakabuski (Renfrew South):** Yes, do not mislead the committee again.

**Mr. Root:** What is all this talk about a housing need in Sudbury? If it not growing, what do you want to build houses for?

**Mr. Martel:** What has industry done with respect to the houses needed? What has the government done, when it was advised four years ago of the expansion programmes, that there would be a need for housing? It sat on its can to a point that even the mining companies got frustrated and came to me and said: "Look, do not just blame us. We advised the Tory government four years ago of our expansion programmes and the necessity to build houses and the government sat on its proverbial can."

**Mr. Root:** That is what you say.

**Mr. Martel:** That is what I know.

**Mr. Root:** We are putting in a sewage plant right now.

**Mr. Martel:** Oh hooray, you are putting in a sewage plant. The need has been there for the last three years. Well, let us go on to your own study, Mr. Minister, the Design for Development.

**Mr. Yakabuski:** Tell us about the grants to mining municipalities.

**Mr. Martel:** We are coming to that. Design for Development—what does it say for north-eastern Ontario? "Of the 82 rated objectives, 23 have"—

**Mr. Yakabuski:** We want to hear about exploiting the labour in Sudbury. We want to hear about that.

**Mr. Martel:** Do you want to give him the floor? I will yield for a few minutes.

**Mr. Chairman:** Order, gentlemen.

**Mr. Yakabuski:** But that is a fact and we want to hear about it.

**Mr. Martel:** Do you want to give him the floor. I will yield for a few minutes.

**Mr. Chairman:** Order. Go on, Mr. Martel.

**Mr. Ferrier:** Slap him down there.

**Mr. Martel:** To continue:

Of the 82 rated objectives, 23 have been given high-need ratings. These are increased productivity in agriculture in tertiary sectors; reduced out-immigration and increased population growth; increased female employment opportunities; increased employment opportunities for skilled people and those with higher education; increased employment opportunities in manufacturing; increased industry diversification; natural resource development roads; conservation of prime forest resources; concentration of urbanization in selected areas; equalized opportunity for native population; reduced housing costs for low-income households; increased range of housing type choices; reduced traffic fatalities—

On and on it goes, and on and on, every year, we get the nice figures of what we take out in the mineral industry alone—this year, \$1.6 billion for 1970. We are elated that we have set another record, we exploit faster and what do we get for it? Nothing.

Even the northwestern study, what does it say? Here is one commentary on the northwestern study, Design for Development, and again it is a snow job to try and make it appear as though something were being done. They are talking about the creation of new jobs:

The other areas we as residents of this part of northwestern Ontario have a deep interest in, is that of the mining, and the possibility of employment in this field. It states in the report, employment in the



mining industry increased from 3,410 in 1958 to 4,412 in 1960, and this has declined to 3,730 in 1968.

On reading this statement, it would appear that all is well in the mining industry as far as employment is concerned.

In certain states that employment has increased by 320 jobs in 10 years, or an average of 32 jobs per year.

However, let us look at these figures a little closer.

In the last eight years in the period under discussion, jobs declined from 4,412 in 1960, to 3,370 in 1968. In other words, there was a loss of 682 jobs in the last eight years under discussion. The loss has been an average of 85 jobs per year and unfortunately this trend is continuing.

Since this information was printed, the mine at Schreiber has closed down, as well as the one in the minister's own riding, Kenora.

No doubt that there will be some increase in the number employed with International Nickel when International Nickel goes into production shortly. Mr. Watson, at the initial meeting here in Atikokan, pointed out that jobs in mining rarely last too long and had a habit of disappearing as the ore body worked out.

Well, that is a really significant contribution, is it not?

While his report does say that there will be 3,000 new jobs in mining over the next 20 years, he does not tell us if this is in addition to those presently employed or if these are merely replacement jobs for those that are bound to disappear as currently operating mines are worked out.

You see, Mr. Minister, the problem—whether it be northeastern Ontario, or whether it be northwestern Ontario—continues, and the documentation is there. This is your own government's document, Design for Development. I had nothing to do with its formulation so you cannot say I was responsible for putting those ideas forth. It was your own department—not your department, but one of the departments of your government.

What has been the result, Mr. Minister, of the monetary returns to the province? What has been the result of the incentive grants, the three-year exemption, the depletion allowances and other concessions to mining companies and taxation policies under The Mining Tax Act, to Canada, and particularly to Ontario?

I want to look at a few articles, Mr. Minister, which indicate what happens with all your concessions. I will just read some of the concessions—some by the federal people, I accept that, some by the provincial. When you combine them, though, what happens?

This is by a man known to a few Liberals, I would suggest, name of Kierans. He used to be with the cabinet. He and the Prime Minister do not agree.

Kierans, an economist and former president of the Montreal Stock Exchange, quit the cabinet charging that government economic policy favoured tax concessions to the extractive industries, primarily the mines, oil and gas wells, at the expense of service and manufacturing industries which provide for far more employment.

How long, Mr. Minister, have you heard people from your own area, the chamber of commerce, and everybody, coming down here cap in hand for development on the site, for processing in the north? But what has happened? Well, you and I both know.

This week a Star survey found that the amount of money not collected by the federal Treasury, but allowed to remain in mining and oil industries, has roughly doubled in the seven years since 1964, from \$150 million to approximately \$300 million, lost to the concessions through the various loopholes—the three-year exemption on an old pit once it has re-opened again, etcetera.

You know, we in Ontario lose as a result of that because we get our share, our kick at the can. And if I can recall correctly, your predecessor was very upset when Benson announced how originally, he was going to tax the mining industry fairly. I believe your predecessor in this post was most opposed to what Benson suggested.

In fact, if I recall correctly, he felt they probably needed as many concessions as they were already getting, and not to be cut back, because Benson was going to cut back the concessions. It is part of the poker game that he used to talk about, you know.

Interestingly, in this poker game, Mr. Minister, industry always wins, and we are going to come to some of the examples of where the industry wins in the poker game with the government.

The survey also showed that the money excused in federal taxes is, in effect diverted to an industry which employs less than two per cent of the working population and is predominantly owned by U.S. and other



foreign investors. When these arguments were rejected, Kierans resigned.

They did not go along with Eric, so he got out.

Data provided by the Bureau of Statistics for 1968, the last year for which information is available, show that 42 companies which owned metal mines, reported a profit of \$497 million, on which they paid federal and provincial taxes of \$45.4 million, or slightly more than nine per cent in 1968.

I am going to get some arguments from your officials, I am sure, on the actual amounts, but it is indicative of how well the mining companies play the poker game, is it not? And how well they can lobby. This is way you do not have communities with the amenities in northern Ontario, Mr. Minister. The return just is not there. That is the crunch, the real crunch.

I could go on to some of the other measures, but I think the really important point—there are two—is that the metal mining industry has been having a field day at the expense of the taxpayer. I want to tell you that the lobby has been very successful, because the very day it was indicated that Benson would back off from demanding a fair return from the mining industry, what do we see? "Tax Changes May Prompt \$1 Billion in Development." They love to hold the big stick over your head, do they not? And if you do not play the ball game according to their rules, they say they will not invest in Canada. Well, you know, that would not be a bad idea at all.

What have they done in Quebec? Falconbridge played a good game. They played a dandy game. Remember us in Sudbury? We lost the smelter. What are the terms of the giveaway game to the mining industry for Falconbridge to locate a smelter in Quebec? What is the price? Just listen to this.

The Quebec government has granted a 20-year tax exemption to a mining company which plans to export copper and nickel directly from the Ungava Bay area for processing overseas, Resources Minister Gilles Massé confirmed today.

A 20-year tax exemption. They play poker well, and we lose well.

**Mr. R. G. Hodgson:** Should we have competed with Quebec and given those provisions, in your opinion?

**Mr. Martel:** No, I do not believe in playing the poker game. I believe the natural

resources are here, and this is why this party—I might just advise the hon. member—two years ago put in an amendment to The Mining Act when we were talking about ores being processed in Ontario. We were accused of being parochial because we wanted to process the ores in Ontario.

**Mr. R. G. Hodgson:** I thought it was the government who did that.

**Mr. Martel:** No.

**Mr. Ferrier:** I introduced that bill a year in advance.

**Mr. Martel:** I think we had better tell the hon. member what happened. The government moved that we process the ore in Canada. We moved an amendment we process in Ontario, and you people voted against it. You know, we have poverty in Ontario, too. The Cobalt area is a fine example. If we had used a big stick and said to Falconbridge, "It is time you processed, maybe built your plant in the Cobalt area," because there is excellent transportation.

**Mr. R. G. Hodgson:** How was it then that you wound up on the other side of the argument in the chicken and egg war?

**Mr. Martel:** I did not wind up at all, I did not argue.

**An hon. member:** Nor did your party.

**Mr. Martel:** The concession to the new Quebec Raglan Mines Limited, controlled by the large Falconbridge Nickel Mines was attacked in the Quebec National Assembly as Liberal vandalism. I do not want to term what the Tories have been doing as Tory vandalism but I guess it could be put on the same level?

But they know how to play poker well, do they not? And we know how to lose well, graciously. We just give it to them. We give them the concession, to come in and exploit the natural resources and then we give them the concession to take it out of the country and process it abroad. The jobs are not in the mining—we are going to come to that in a few minutes, too—the jobs are in the processing.

The jobs are putting it into a finished commodity. We do not do that in this country. The federal government was so generous they even sold out the natural gas so that they could continue to process abroad. I understand we have lost two pellet plants in northwestern Ontario, to the Missabi range. They

now process in Wisconsin, I guess it is, as opposed to here because they can get gas cheaper in the United States because of our generosity—the federal government's this time—but nevertheless, we love to play giveaway, do we not?

**Mr. Gilbertson:** That is your policy, is it not? You are always wanting to give everything away.

**Mr. Martel:** My, oh, my! Where did that come from?

**Mr. Gilbertson:** Never mind! You are going to be hearing more from me, too.

**Mr. Martel:** Well, I hope so.

**Mr. T. P. Reid:** That is a change.

**Mr. Chairman:** Order!

**Mr. Martel:** Let us take a look at your figures. I took them all from your books. I took a long time calculating what we get. In 1966, the value of mineral production in Ontario was \$964 million, and that includes everything, pits; quarries; you name it; the whole ball game or, as the member for Grey-Bruce (Mr. Sargent) would say, the whole ball of wax.

The value of production per man was \$19,328; it totals almost \$1 billion. The provincial tax, and the mining tax, under The Mining Tax Act was \$14,889,000. What does that represent of the total value of mineral production? It means 1.54 per cent of the total value of mineral production was garnered from these companies on almost \$1 billion of mineral production.

Let us take a look at 1967; it was even better for the companies. They made \$1 billion on their value of mineral production. It was \$1,192,773,458. An increased production as your book shows again—and they are very happy about this—24.52 per cent. The number of men employed only went up slightly—50,701. The value per man—\$23,525. The total tax, the provincial tax under The Mining Tax Act—\$10,640,000 or 0.89 per cent—not even one per cent.

I am not taking into consideration the federal moneys yet—we will come to the federal moneys. We are talking about revenue directly from the mining aspect. The total tax included on gas, acreage, and so on, was \$10,851,000. I did not bother figuring out the percentage, Mr. Minister, because it still came to less than one per cent of the total value of production. We could not get the

provincial—we tried to get some—what we got was from the federal government. We have managed to get one year and I am coming to that now.

Well, 1968 was another boom year—\$1.34 billion. I will leave the round figures off. Another increase in production, 12.2 per cent. The increase in labour, minus 41. They could increase production by over \$100 million and get rid of 41 jobs in the process—

**Mr. R. G. Hodgson:** Have you no figures for the capital investment per employee?

**Mr. Martel:** Do not worry about that.

**Mr. Stokes:** Yes, we have.

**Mr. R. G. Hodgson:** It is quite pertinent to this argument.

**Mr. Martel:** It is all pertinent. The value of production per man—\$26,450. It is interesting how the value of production per man climbs. The mining tax—\$16.105 million or 1.2 per cent.

We did a little better that year did we not? And all the tax included at the provincial level—\$16.334 million. Then we did a little digging around, and research, and we found we got roughly \$14 million in corporate taxes as well, which brought this up to around \$23 million. From all the provincial tax and mining and from all of the federal tax and mining we got a total of \$30 million odd. And the total value on the production for that year, 2.26 per cent. You are not quite clear?

**Mr. B. C. Lee** (Finance and Administration Branch): No, I cannot see it.

**Mr. Martel:** Well we have got \$14.6 million from the federal—not from them, but using the percentage point of 12 points off for Ontario's share of corporate tax on oil, metal mining and other mining—\$14.6 million. Add that to \$16 million. You have got a percentage return on the value of mineral production of 2.26 per cent.

**Mr. Lee:** A good part of the mineral production that you are talking about is not even subject to the mining tax to start with.

**Mr. Martel:** I am talking about the total tax picture, what we in Ontario received from this \$1.34 billion. Whether some of it is taxable, that is inconsequential.

**Mr. Lee:** The municipalities receive a lot of money from the industrial minerals that does not come to us.



**Mr. Martel:** In 1968?

**Mr. Lee:** In every year.

**Mr. Martel:** What kind?

**Mr. Lee:** They assess them on the value of the property.

**Mr. Martel:** When did they start paying mining municipal assessment?

**Mr. Lee:** They do not pay mining municipal assessment, because these people are not assessed as mines under The Mining Tax Act; therefore the municipality is allowed to tax them.

**Mr. Martel:** How much? Give us the figure of how much we got in 1968.

**Mr. Lee:** I do not know what each municipality got—I have not the foggiest notion.

**Mr. Martel:** Give us an example.

**Mr. Lee:** I do not even have an example.

**Mr. Martel:** I am talking about the total tax—

**Mr. Yakabuski:** You are misleading us again.

**Mr. Martel:** I am not misleading at all, so do not come round with your stupidity. I am talking about the figures in your own budget.

**Mr. Stokes:** What he is saying is that municipalities which owe their existence to the mining industry are not getting sufficient revenue to meet the cost of needed services. It is as just as simple as that, and you know it.

**Mr. Ferrier:** We never got our fair share and we are not getting it now.

**Mr. Martel:** Maybe your expert can tell me by Monday how much we got in the year 1968 so we can put it together. I do not want to mar the picture at all. I am talking about what the province got in taxes directly from its own taxation system and what we got from the federal people. Not directly from the federal people—what our share was.

If you can include what the municipalities received we can total it all together, and I will bet you it does not come to 3 per cent if there is anything. In fact it will not fluctuate at all. But what happened in 1969, Mr. Minister? We had a poor year—there was a strike for four months, and it dropped \$1.214 billion—rather a poor year. The number of employees on that

type of mineral production was 50,995. The production command dropped because of the strikes 23,817. The provincial share from tax \$19,615,792.37, or 1.61 per cent of the total value of mineral production.

Now I could include the tax we got on oil, on acreage, it brings that all the way from \$19.615 million to \$19.819 million—so you can see why I did not bother working out another percentage and adding it up, because it is so small. It is not going to change the percentage one way or the other. So we come to the boom year 1970: \$1,631,978,000. The number of men employed, 52,797; the value of production per man \$30,914. It has risen slightly, has it not from \$19,000 per man five years ago to \$30,000?

It is often interesting when I hear about labour being responsible for inflation. Labour is the easy one to get at. It is responsible for inflation. But the value of production per man from 1966 to 1970 went from \$19,000 to \$30,900 which is almost \$12,000 increase in production per man in the total mineral, oil, industry of Ontario. Maybe you can blame them. None of them got a \$12,000 increase in salary. Maybe you can blame them.

**Mr. Yakabuski:** You can say the mining companies are not updating their equipment.

**Mr. Martel:** Well, the tax, Mr. Minister, was \$23.89 million—or, a percentage of 1.46 per cent. Now what does all this mean? And I want to take item by item what it means. In value production \$900 million—almost a billion. We got a return of 1.54 per cent directly to the province. I realize it is only on the value of mineral production, but you try to find out the profits of any company in Ontario to do a further analysis—and that is for your friend over there—because you know and I know we cannot find out the profits of the individual companies. No one can really tell, because by the time they have got so many write-offs it is pathetic.

But notice, the increase in the value of production in five years went up \$700 million. And do you know something? At the end of it—and I am working on a percentage basis, that has to be taken into consideration—our percentage in 1966 was 1.54 per cent of the total value of production. In 1970 it was 1.46 per cent. And we have that boom year where they paid less than 1 per cent on the total value of production, because I cannot get the other figures.

But is that not interesting? What a return! And we wonder why northern Ontario is



underprivileged. It is not too difficult to find out.

And, as I said, in 1968, the year for which we could get federal figures, our return is about 2.26 per cent on the total value, give or take part of a per cent, on what Mr. Lee might be able to provide for us. Give or take a part of a per cent. It is not going to be that much.

**Mr. Lee:** No.

**Mr. Martel:** No. That is what we have got from the industry, Mr. Minister. That is why these niceties in these books disturb me, because we get very little.

Let us look at the jobs, Mr. Minister. If the value of production increased by \$700 million in five years, do you know what the net gain in jobs was? Well, you figure it out; 49,901 jobs in 1966, 52,797 jobs in 1970. The jobs did not increase by more than 5.5 per cent despite the fact that mineral value increased by 70 per cent.

Here is an industry about which we always hear, you know—I have heard this one for three and a half years: "Oh, you are going to scare them out, we are creating jobs." We are not creating jobs. We are creating a lot of capital investment, but we are not creating jobs. And it is pretty understandable why northern Ontario continues to lag behind everyone else when we look at this type of figure.

**Mr. Haggerty:** Are you suggesting that the miners should use the pick and shovel?

**Mr. Martel:** I am not suggesting anything.

**Mr. Haggerty:** That is what you are saying.

**Mr. Martel:** I will come to what I am going to suggest.

**Mr. Haggerty:** That is about what you are saying.

**Mr. Martel:** Why do you not go and sit with the Tories? That is where you belong.

**Mr. Yakabuski:** You are confusing and misleading people of all parties.

**Mr. Martel:** Mr. Chairman, call them to order.

**Mr. R. G. Hodgson:** That is the only way you will increase jobs.

**Mr. Gilbertson:** He is so one-sided, it is pitiful.

**Mr. Martel:** Mr. Minister, I am sure even you would have to agree that with the increased value of production of 70 per cent and with the increase in the number of jobs at 5.6 per cent, to be precise, there is not much in the way of job productivity or job opportunity when this goes on ad infinitum.

Let us take another look at the same figures. As I commented briefly, there was a 70 per cent increase in production—so I checked out the salaries of the employees to see what their percentage increase was. Taking into consideration management, as well as the ordinary workforce, the increase is only 43 per cent. The value of production up 70 per cent, the increased number of jobs 5.6, the increase in salary, including management—guys like Wingate with \$360,000—43 per cent.

You know, the next time some Tory or Liberal tells me that labour is responsible for inflation, I am going to give him these figures and he can go home and mull over them for a while.

**Mr. Gilbertson:** What are their wages?

**Mr. Martel:** I have that too—I have that for the hon. member.

**Mr. Yakabuski:** Is that production on the same type of equipment they had 10 or 15 years ago?

**Mr. Martel:** No, it is not. We are talking about five years ago. Do not stretch it; we are talking about five years.

**Mr. Yakabuski:** Do not stretch it—you have got a lot of things wrong.

**Mr. Gilbertson:** What is the underground miner's salary?

**Mr. Martel:** The underground salary for a driller class 7—which is one of the higher paid jobs, but also employs the most number of employees, in this one single classification—at Inco is almost \$5,000. The salary is \$149.60 a week.

**Mr. Haggerty:** What about the production—

**Mr. R. G. Hodgson:** He would not mention the obvious.

**Mr. Martel:** The Ontario average in the mining industry is \$168. That includes top management.

So that, when we look at it, their salaries increased by 43 per cent, production values increased by 70 per cent and job opportunities by 5.5 per cent. So do not tell us

that there are job opportunities being made available for young people in northern Ontario, or any place else in Ontario, as a result of the beneficence of the mining industry. They are not there. The production increases but the job opportunities do not.

It is high time, Mr. Minister, that The Department of Mines started to take a look at this type of figure and stopped using the nonsense that a new mine is going to create a lot of jobs. It is not, because most of the money is put into the capital equipment and all it does is take out more in profits and provides fewer job opportunities. And it is high time, as Eric Kierans says—and I want to quote this about tax concessions:

I am against tax concessions because they encourage industry to invest more than they otherwise would in plants and equipment rather than labour, because they favour certain segments of the economy to the extent of allowing them to operate literally tax free;—

**Mr. Haggerty:** Nationalize it and—

**Mr. Martel:** Oh, do not be so stupid.

—they accelerate investment in the non-renewable resources which employ little labour and which need no such incentive rather than in the manufacturing and service industries which employ more people; and finally because they make it easy for Americans to come in and buy it out.

The investment has to be into the secondary field, does it not?

Stop the tax concessions which we give which virtually allow these people to fleece us blind without putting anything back into the economy. They do not provide the job opportunities.

**Mr. R. G. Hodgson:** You are going to have to nationalize Eric Kierans. Without him you would have nothing to present.

**Mr. Haggerty:** The member will be switching parties—call Paul Hellyer down.

**Mr. Martel:** Mr. Chairman, I will not bother. He has never done a bit of research in his life and it would be too late for him to start now.

Interjections by hon. members.

**An hon. member:** Who did your research?

**Mr. Martel:** My good friend, I did it all.

Now the inevitable result is more plants and equipment, that is what the concessions lead to. And it creates a distortion in the economy because it increases our need for capital, which we do not have, and it reduces our need for labour, which we have in abundance. And that is what the tax concessions and giveaways lead to, an increase in capital investment and a reduction in job opportunities for our own people. And no one has to tell this government, I am sure, with roughly 220,000 people unemployed in Ontario, that we do not need job opportunities.

I want to go on, Mr. Minister. It says:

Take the latest giveaway programme: Finance Minister Edgar Benson's fiscal policy in 1970-1971. He has told the mining industry, for example, that for every \$3 they spend in new plants and equipment they can deduct \$4 for tax purposes. Now that is an outright bribe to turn their attention away from employing labour. With those kinds of deals a businessman would be crazy not to search for the most heavily capitalized way of doing things that he can.

This has already led to pronounced change in investment decisions by the metal mines, for example. Last year they spent 434 million on capital expenditures, this year they are spending 706 million, and for that they are going to get another 235 million that will be deductible from profits for tax purposes. We are generous, aren't we?

Now, what is all this leading to?

**Mr. Haggerty:** It is a good thing you have International Nickel up there or you would have a ghost town up there in Sudbury. Tell us what they are spending up there—

Interjections by hon. members.

**Mr. Martel:** Nothing belongs to the people, even the natural resources.

**Mr. Yakabuski:** Do you want Inco in the Sudbury basin or not?

**Mr. Haggerty:** They are advertising all across Canada for employees.

**Mr. Martel:** Do you want to give him the floor, Mr. Chairman?

**Mr. Chairman:** Order, gentlemen. Continue, Mr. Martel.

**Mr. Martel:** Thank you, Mr. Chairman.



And I ask the minister—I bring this in because of what his own Treasurer announced—if this is the case, Mr. Minister, that concessions on machinery lead to fewer jobs, what effect will the Treasurer's budget announcement of \$125 million to industry for new equipment have? How is that going to affect the mining industry? Detrimentally, as far as labour is concerned.

Oh, you might get new records—maybe they will take it out faster. But I am not that interested in taking it out faster, I am interested in providing jobs, and I think all this is going to do is provide industry with more money to buy more equipment, to take more out, to provide fewer jobs.

**Mr. Gilbertson:** And make it easier for the men, the labourers. Are you not for the labourers?

**An hon. member:** You are going around in big circles.

**Mr. Martel:** No, I am not going in big circles. So we have the same problem, eh, even with our own provincial budget? And where will it lead to?

These figures are from your books, Mr. Minister, I did not make up the fact that the 70 per cent increase in mineral production only created 5.6 per cent more new jobs. I did not make that up. These are from your books. I took them, very carefully, from your books.

What are the job opportunities then, Mr. Minister, for people in northern Ontario if we go along our merry path this way, with northern Ontario remaining merely a hinterland for extraction of natural resources? And I put to the minister the other promise of this Tory government for northern Ontario, better known as the Toronto-Centred Region Plan, and I want to quote to the minister a little article from the Toronto-Centred Region Plan:

Because of the location within the Great Lakes-St. Lawrence megalopolis, the Toronto-centred region probably can increase its economic role in processing resources which currently originate in northern Ontario.

That has been adopted by the cabinet, as I understand, in principle. What does that hold for northern Ontario? Do you know what it holds—more of the same. More ghost towns—

**Mr. Stokes:** Even the minister could not subscribe to that.

**Mr. Martel:** —less job opportunities, the flood of our northern young to southern Ontario because it is the only place they can find jobs. It is a great future, is it not?

This, which has been adopted in principle, at least, by your cabinet and your government, promises northern Ontario another 25 years of the same garbage—another 25 years.

Let us go on to your exemptions, and I want the answer to this one. Seeing that we are not going to sit tonight, your staff will have opportunity to provide the answers.

There were 31 or 32 exemptions when we last discussed the estimates of The Department of Mines approximately one year ago. I would like to know precisely how many exemptions have been provided to the mining industry in the last 12 months. I know of one or two—Cobalt and so on—because this material is never announced. We have to wait for the estimates to get it. That is one question, certainly, under vote 1 we are going to want to look at in great detail, because this is what is happening as a result of the continued exemptions. I quote from a publication of The Department of Mines for 1968. I guess this was the latest one that was available and there are some interesting little figures in here. It is export of minerals and metals in 1968, mind you, but that is all I could work with: "The total value of minerals and metals exported by Ontario mining and mineral-based industry increased to \$1.233 billion in 1968 from 900—" Pardon me; that is \$1 billion.

**Mr. Lee:** That does not matter.

**Mr. Martel:** It does not matter! It matters to me, because of what I am coming to. It matters greatly to me in this vote.

**Mr. Lee:** Most of it is processed.

**Mr. Martel:** Oh, most of it is not processed. I have the figures from your own department which we are going to get to in a few moments.

**Mr. Lee:** You will find most of it is processed.

**Mr. Martel:** Most of it is processed? It is about time it was all processed. At the same time, Canadian exports of these commodities increased to \$4 billion from \$3.4 billion, that is, by \$713 million—for all of Canada. We are great in the giveaway game, because the answer just does not lie, Mr. Lee, with processing minerals to a partially smelted or a



partially refined state. That is only part of the problem.

**Mr. Lee:** It is for use in the arts that we were talking about in section 106. Most of it is shipped out of the country after it is treated to a state for use in the arts.

**Mr. Martel:** We are going to find that some of it is not. I have your latest figures which you very kindly supplied to us. I am going to talk about those in a few moments.

It is noteworthy that in 1968 Ontario's export of nickel and ores, concentrates and scrap, increased by 26.3 per cent, that is, compared with the previous year, while the export of nickel and alloys decreased by 10 per cent. In the same year, the export of copper in ores, concentrates and scraps increased by 78.1 per cent, while the export of copper and alloys increased only 24.1 per cent.

**Mr. Lee:** We have no control over scrap.

**Mr. Martel:** No, not over scrap. But we are not just talking about scrap. We are talking about concentrates and ores. Coppers in ores, concentrates and scrap increased by 78.1 per cent, while the export of copper and alloy increased by 24.1 per cent.

This is what I am getting at—the continual exemption. That is your document. I only go by your documents and we go by your letter, which I have here somewhere, when I get all my goodies together.

Thirteen major metal mining resources mined in Ontario. Smelting, Ontario and Canada, section shows copper, 94.9 per cent smelted—which is most of it—refining, 86.2 per cent.

How many jobs do you think we could create if we processed the remaining 14 per cent to its end?

**Mr. Lee:** About one job.

**Mr. Martel:** One job?

**Mr. Lee:** I would think so.

**Mr. Martel:** You mean to say if, at that rate, 14 per cent would create one job, then we have got only about six people employed in the proper refining industry, because if it is one job for 14 per cent, for the remaining 86 that would be only five or six jobs, if my mathematics are correct.

**Mr. Lee:** That is right. Most of these refinery plants are automated and they do not require too many people.

**Mr. Martel:** Could you find precisely how many employees are involved in the copper industry?

**Mr. Lee:** I could look into it.

**Mr. Martel:** I would appreciate it. Well, now there is gold, 99 and 99; magnesium, 100; nickel 100 per cent smelted, 56.9 refined, which means 43.1 leaves unrefined. Again, 43 per cent—it would create some jobs, would it not?

**Mr. Lee:** Yes, that is nickel you are talking about.

**Mr. Martel:** Right. Nickel. Now, what about silver? We have just given another concession, because they have to process in New Jersey, but we only process—smelting and raw refining—50.6 per cent, which means 50 per cent leaves the country to be processed abroad. The point I am making is, we create jobs somewhere else. You know, we should be interested in creating jobs here.

**Mr. Lee:** These metal concentrates that you are talking about partly include zinc metals.

**Mr. Martel:** Right. Byproducts.

**Mr. Lee:** Byproducts. And it is impossible to separate them.

**Mr. Martel:** Except if we processed the major ones here and got the byproducts here as well.

**Mr. Lee:** That is right, and this is what we—

**Mr. Chairman:** Might I ask this, Mr. Martel: Will you conclude your preliminary statement and we will get into the estimates. I think we are getting into the estimates without concluding this preliminary statement.

**Mr. Martel:** Fine. Mr. Lee has made the point. We get into the refining of the—

**Mr. Chairman:** From now on, we will go on with your preliminary statement.

**Mr. Martel:** Fine. If we go into the refining and the smelting of the major commodities, major minerals in Ontario in total, we would then be able to do all of the related work with refining and smelting, with respect to the fine metals, or the precious metals. Cadmium we do 86 per cent, refine 91. Cobalt, 61 per cent smelted, 94 per cent refined.

The point I am making I think is obvious to the minister. All of these areas could cre-

ate work if it were processed near the source. Iron, 52.5 smelted, refined 52.5—and I understand we import some. Lead 100 per cent smelted, 100 per cent refined. The same with uranium, 50.6; zinc 85—and these I am talking about are outside Canada, by the way. I am not talking about inside Canada. These latest ones, Mr. Minister, I am talking about are refined outside Canada and smelted outside Canada. I had better just put that down properly:

Smelting outside of Canada—cadmium 86.9 per cent cobalt 61.2 per cent, iron 52.5 per cent, lead 100 per cent, uranium 50.6, zinc 85.5.

Refined abroad—cadmium 91 per cent, cobalt 94 per cent, iron 52.5 per cent, lead 100 per cent, platinum 100 per cent, uranium 50.6 per cent and zinc 85.5 per cent.

In all fairness to Mr. Lee, I want to indicate that he wrote us and told us some of the reasons, for example, that we will increase the production or the processing of zinc from 14 per cent to 52.5 per cent when Ecstall mining goes into full operation in 1972.

I suggest to you, Mr. Minister, we should go the whole hog and process it all here if we are going to create jobs for our own people.

**Mr. R. G. Hodgson:** Have you been keeping that department busy all year on research for you?

**Mr. Martel:** Mr. Chairman, I did all my own research myself within the last week.

**Mr. Yakabuski:** Do not give us that!

**Mr. Martel:** The head of the research staff sits over there. They assisted me yesterday afternoon for a short period. I suggest the hon. member talk to her—Mrs. Bryden—she is sitting right next to him. He should get introduced to her. He might become enlightened a little bit.

**Mr. Chairman:** Could you continue with your statement, Mr. Martel?

**Mr. Martel:** Thank you, Mr. Chairman. It seems that these people keep interjecting.

**An hon. member:** I did not notice.

**Mr. Martel:** They have never done any research themselves, never a bit. They would not even know where to start.

**Mr. Chairman:** We will continue with the debate, then.

**Mr. Stokes:** I wonder if the member for Victoria-Haliburton objects to The Department of Mines providing us with pertinent information?

**Mr. R. G. Hodgson:** Not at all. That was not the question I asked him.

**Mr. Yakabuski:** We want you to be knowledgeable.

**Mr. R. G. Hodgson:** In fact it is hoped that next year they will provide him with more.

**Mr. T. P. Reid:** He will not be here next year, and probably neither will the member for Victoria-Haliburton.

**Mr. R. G. Hodgson:** That is your opinion.

Interjections by hon. members.

**Mr. Chairman:** Carry on, Mr. Martel. Order, gentlemen.

**Mr. Martel:** Mr. Minister, in short, we have got to start to do more of the processing. We have got to process at source, even those for which there are reasons against it—like lead—it is not profitable, the market fluctuates. The important thing is that we could create jobs. And that is what we have got to be about, not just compiling nice figures, but creating job opportunities for people in Ontario.

And I say to you that the mining industry certainly has not done that to date, and this Toronto-Centred Regional Plan, Mr. Minister, which you people have adopted in principle, will continue to put the sad news to northern Ontario.

People wanted to know what I would do or what we as a party might do. There are many things we could do. We could exploit the known resources when near a dying community. I remind the minister about—and my colleague from Schreiber (Mr. Stokes) will have a good deal to say about this—the Geraldton area.

We understand—and again I do not want to steal the thunder of my colleague from Thunder Bay—that there are deposits there, and if the mining company is not going to exploit it, if we are going to see all of those men—and I think there are only 56, all of them—who are going to be without jobs as a result of the last gold mine, we have got to get into a position to put that into production, because that is where the money is spent.

The province has got a good deal of money invested in Geraldton in the form of schools, hospitals, and so on. Do we let this become a ghost town while the mining industry sits over there with a known reserve and will not open it up because it is not to their advantage?

**Mr. Stokes:** That is the mineable minerals the minister spoke about the other day.

**Mr. Martel:** I am not really interested if it is all entirely to the mining company's advantage, Mr. Minister. I am interested in knowing if it is to the advantage of the people of Ontario. That is what I am interested in knowing. We have to take the mining company into consideration, but not just on their terms. It has to be some on our terms for the benefit of our people and the benefit of this province as a whole.

**An hon. member:** I could hardly keep a straight face at that one.

**Mr. Martel:** Increased exploration, if necessary. I read the minister's little clipping recently. I am delighted to see that he might go into it.

**Hon. Mr. Bernier:** I think you are reading my mail.

**Mr. Martel:** No, no. I read your press clippings, because I want to follow them up, because I think you just might consider starting to spend money in exploration.

**Mr. R. G. Hodgson:** I think a good part of the minister's mail is going to the hon. member, apparently.

**Hon. Mr. Bernier:** I am glad you are on the bandwagon.

**Mr. Martel:** And I commend the minister if this is going to be the case that we get into increased exploration, at the provincial level if necessary, because the cry we get is that if the tax concessions are not there we will not be able to do any exploration; we will not be able to send anyone out to try to find a new ore body. Well, Mr. Minister, that is all right with me.

If the minister is willing to start, as Quebec has done, trying to find the ores so that they can be exploited on behalf of the people, that is all right with us. We have got to develop the reserves, Mr. Minister. If it is not convenient for the company to do it at the present time, then through negotiations I think it is time that we

invested private and public funds. And whatever we put in would be our equity in that mining industry, rather than see ghost towns develop, rather than see unemployment, and plus we might just take a little largesse for the province.

And if the private sector did not want to invest at all—and this is really going to go against your grain and all of those over there—we would set up a Crown corporation.

**Mr. Root:** Like they do in Saskatchewan.

**Mr. Yakabuski:** Have you heard anything from Saskatchewan at all?

**Mr. Martel:** I am coming, Mr. Minister, to some very interesting data on investment in a book called "The Silent Surrender," by Terry Levit—she is a university professor from McGill or from one of these universities—and we are going to come to some investment figures, Mr. Minister.

We are going to come to some very interesting data on why Canadians do not buy into the mining industry. I hope some of your colleagues stay around to find out. We would go to a Crown corporation if the private sector was not going to do it in consortium with the government and private capital.

I just do not think we can wait until it is just most profitable for the company to open up. There is more consideration than just what is good for the company. There has got to be what is good for the people. Improved transportation—and we have not been doing it really—that has to be improved. Growth centres—and I think the member for Rainy River mentioned the building of two town sites 30 miles apart. We cannot afford that in this province. We cannot afford two town sites.

**Mr. T. P. Reid:** Ear Falls.

**Hon. Mr. Bernier:** Oh, come on. You do not even know your geography.

**Mr. T. P. Reid:** How far apart?

**Hon. Mr. Bernier:** Forty-five.

**Mr. Martel:** So what!

**Mr. T. P. Reid:** Thirty—45.

**Mr. Martel:** Tell me, Mr. Minister, what is more convenient for you—

**Mr. T. P. Reid:** Ask the people of Ear Falls how popular you are.

Interjections by hon. members.



**Mr. Martel:** I ask the minister, would it not be better, even if you have to build a road 45 miles so that you have got one town site providing all of the necessary amenities and have people travel back and forth to work? They do it in southern Ontario every day.

**Mr. Stokes:** If you follow that philosophy, why do you not build one at Shebandowan? It is 70 miles.

**Hon. Mr. Bernier:** There would be no comparison.

**Mr. Makarchuk:** Your prime minister today was concerned about infrastructure in the airport—

**Mr. Martel:** We have got to be very, very careful our town sites—our growth points—

**Mr. Stokes:** Over Dalton Bales' dead body, will you have one at Shebandowan.

**Mr. Martel:** We cannot afford hospitals, schools over and over again, to have the town die 20 or 30 years later when the ore body is depleted. We have to base it on growth points and tap, if necessary, through building four or five roads up—

**Hon. Mr. Bernier:** That is what we are doing.

**Mr. Martel:** Oh, no, you are not doing that, Mr. Minister.

**Hon. Mr. Bernier:** Look at Sturgeon Lake.

**Mr. Martel:** Oh, no, Mr. Minister.

**Mr. T. P. Reid:** The town site at Ignace, for example.

**Hon. Mr. Bernier:** Right. At Ignace. Certainly.

**Mr. Martel:** So we have to move into that field—

**Mr. T. P. Reid:** Better get that on the record.

**Mr. Martel:** —and move into it heavily. There are, I understand, a couple in Timmins who are looking for grants to get roads built, and my colleague from Cochrane South will have a few words to say about that a little later on as well.

The processing—the crunch comes now, Mr. Minister, these are the minor ones. The processing, the smelting and the refining must be done near the source. No longer

brought to Nanticoke, no longer brought to other places opening up new developments.

If we are going to open up new plants, new smelters and new refineries, they, too have to be worked in with the growth centres and located where, when one industry dies or one mine becomes depleted, you can still bring in materials from the other resources in the area. Smelting and refining—and not like what happened in Falconbridge, where it went to Quebec and you saw the price that has been extracted out of the Quebec people.

And the real crunch, Mr. Minister, is processing to the finished, or at least semi-finished product. This is the only way, Mr. Minister, that we are going to create jobs in northern Ontario. Copper tubing, copper wiring, rolling mills, etcetera—you can go right down the list.

Why haul all the slag that is in with some of the material that is hauled to the south? Why give the railroads—you know this is an interesting thing that goes on—the railroads give the mining companies special concessions on bringing out the natural resources at a reduced rate. The railroads are subsidizing the mining industry. And who do you think puts up the cash to give the federal government the money to subsidize the railroad industry?

**Mr. Yakabuski:** No idea.

**Mr. McNeil:** The NDP?

**Mr. Martel:** We get it every way possible, do we not, Mr. Minister? Every way possible. They tell me they ship pellets out of the Sudbury area at \$1.78 a ton. The semi-finished product, or the completely finished—because, again as Kierans says, we have to start to captivate or capture in a new area. I did not mark that so I will have to find it. You will have to bear with me for a moment. You are happy because you do not have your deputy minister with you, as has been pointed out, so you will not have to answer the question.

**Hon. Mr. Bernier:** We can get into that. As soon as you are prepared, we are ready to get into the votes, you know.

**Mr. Martel:** Right.

**Mr. S. Lewis (Scarborough West):** Does the minister feel isolated? I will come and sit beside him.

**Mr. T. P. Reid:** You had better move up; you would not want him sitting there—

**Hon. Mr. Bernier:** It might be a long time!

**Mr. Martel:** I doubt it. He will be the Prime Minister; he will not be sitting there.

**Hon. Mr. Bernier:** Do not hold your breath.

**Mr. Yakabuski:** That is enough of that nonsense.

**Mr. Ferrier:** That bothers the hon. member, does it not?

**Mr. Martel:** It says here that in the manufacturing and service industry which employed more people—that is the crunch, is it not, the processing, because it employs more people. That is what we should be about in Ontario—providing job opportunities through secondary industry. I do not mean a sell-out of the type of industry we have got here already, the branch plant economy; I am talking about the Canadian development, hopefully through Canadian business to do it, at least at the secondary level. It has got to be done; it has got to be done in northern Ontario.

The other thing, of course, is a greater tax return which I attempted to document. A greater tax return to supply the communities with the funds to provide the amenities for the people in northern Ontario which they are lacking. They produce that wealth, that type of wealth, and have nothing to show for it. I heard a few people talking about investment — I believe the minister himself—so let us find out about investment and what is happening in Canada, and all this nonsense about “Canadians will not invest.”

This is taken from a book by Terry Lovatt called “The Silent Surrender,” the subtitle is “The Multi-national Corporation in Canada.” I have to quote a few extracts. What they did was to send out to find if the American subsidiaries on the Montreal Stock Exchange would allow Canadians to buy into the various wholly-owned American mining subsidiaries in Canada. Here are some of the replies.

From the scores of replies received by the president of the Montreal Stock Exchange, we select but three:

“We have been represented in Canada for many years by wholly-owned subsidiaries. As a matter of fact we do business through wholly-owned subsidiaries in some 22 countries throughout the world. A change to public ownership of any of these companies would represent a substantial departure from the pattern in which we are geared to do business, and at the moment

we do not feel we are prepared to undertake a change of this kind.

“All operations outside the United States are handled by wholly-owned subsidiaries. The Canadian company represents one of our foreign subsidiaries, all of which are wholly-owned. To date, we have found this method of operation has been very beneficial to our customers and employees as well as to our stockholders throughout the world. At the present time, we have no plan for outside financing at all, so we do not contemplate any sale of stock. At present the stock of—[the company name is left blank] is listed on the New York Stock Exchange and is available to investors.”

On the New York Stock Exchange, mind you!

“An investor has the opportunity for investment in the entire scope of the operation. We consider this preferable from an investor’s point of view since the broader scope of investment should make for increased stability of our investment”.

That was one comment, Mr. Minister. A second one:

A steel producer with iron ore mining operations in Canada explains the position as follows:

“As you no doubt realize, the only subsidiary function which we have in Canada is related to iron ore operations. We do not construe this operation to be an independent function but rather as one of several essential functions of an integrated steel manufacturer. We have never felt that this type of venture was appropriate for public participation in the United States, and this viewpoint also holds true with respect to Canada.”

Finally another United States corporation with wholly-owned Canadian mines explicitly refers to the conflict of interest which would result from the minority stock holding:

“In our case the overwhelming important Canadian operation from a financial standpoint is that of mining. The mines produce raw material for the factories in the United States and Canada but, of course, on account of the difference of population, the United States factories consume by far the larger part. This makes the mine an integrated part of our entire production scheme. If we had minority stockholders in the mine itself, with our parent company’s stockholders therefore owning only

part of the mine, we would have two conflicting interests within the company regarded as a single integrated process. The fact has always caused us to reject the idea of selling a minority of interest".

You know you do not buy into the mining industry, Mr. Minister. It is just not that easy, and let us find out one other point.

The shortage of finances, at least in part, is the result of branch plant economy. Contrary to common belief, Canadians' savings are not low, nor is the Canadian investor adverse to taking risks. Despite lower average incomes in Canada, the rate of personal saving is substantially higher than the United States. In 1967 Canadians saved about nine per cent out of disposable after-tax income, compared with a rate of seven per cent in the United States.

What is more, the average Canadian is more inclined to invest his savings in equity stock than is his U.S. counterpart. Thus interest income forms a larger proportion of total investment income in the United States, despite the fact that interest rates are lower there. There appears to be no shortage of demand for equity investment in Canada, only a shortage of available stock.

Why do Canadians not invest, Mr. Minister? Maybe you could find some answers to that, too. These were some of the arguments I had anticipated I would get back because you hear it all the time. Canadians will not invest. They are scared. It is a lot of nonsense. We are not given an opportunity; we have to buy abroad.

One last short quote about the risk—just one sentence, I believe.

It may be added here in anticipation that risk is not so much eliminated as shifted to the small scale entrepreneur and to the peripheral or hinterland economies.

That is what we get to invest in, we in the hinterland. We are able to invest—only in most instances it is blocked. There are moneys to be invested, only you cannot get the investment into the field that would be most beneficial because the American companies do not want us to own the mines. They want them, because it is a very important segment of their overall operation.

Mr. Minister, I have tried to be as precise as possible in this documentation I have used. I have used it very carefully; I hope your staff goes over it and proves me wrong. I do think they will be able to, give or take a half

per cent. It is time this government started to do something with the mining industry besides putting out all types of nonsense which show continual breaking of records, because in the part of the country we come from, Mr. Minister, they are not interested in records—

**Mr. Gilbertson:** Why not?

**Mr. Martel:** —they are interested in job opportunities. They are interested in the amenities of life, and that is what this government should be interested in. It is about time it got involved in doing that for northern Ontario and other parts—I do not want to be parochial but mines are primarily concerned with northern Ontario.

The job opportunities have not been created despite the great wealth; the tax is not there to provide the amenities in the municipalities. I suggest, Mr. Minister, that you stop having these people stand over you with a big stick—and that includes the whole Ontario government—for fear they will move out, because you know there is one thing they cannot do, no matter how hard they try. They cannot drag the mines out with them. Those resources belong to us—the people.

It is time, Mr. Minister, we got a fair share. I will save the rest of my comments on northern affairs and safety for a later time. I hope you take these matters into consideration.

**Mr. Chairman:** Mr. Minister.

**Hon. Mr. Bernier:** If I may comment, Mr. Chairman; first of all, let me point out if there was any confusion in the calling of the department's estimates this afternoon, certainly I do not think I was involved, but I do want to apologize. It does appear from the official opposition critic's comments that he was not properly prepared. I think he would have sooner had it on Monday. I know he would have been in a better position to comment.

**Mr. T. P. Reid:** I am not the official critic.

**Hon. Mr. Bernier:** I took it you were.

**Mr. T. P. Reid:** It is unfortunate that he was not able to be here. He will be here on Monday.

**Mr. R. G. Hodgson:** Is he in the courts?

**Mr. R. S. Smith:** He is watching the chicken and egg war—



**Mr. Makarchuk:** In fact, he may be hatching a few!

**Hon. Mr. Bernier:** I see. Anyway, I will just leave that for a moment. I will just make a few brief observations on pits and quarries. I think you are well aware that we are bringing in legislation at the earliest opportunity.

**Mr. T. P. Reid:** Can you give us an idea of what that legislation is?

**Hon. Mr. Bernier:** When the legislation is introduced, of course, you will have ample time to discuss it, clause by clause, which I am sure you will do. We will give you every opportunity at that time to examine every aspect of it. You mentioned the government's stand on new communities. I think this has been spelled out very very clearly. In the Design for Development, as the hon. gentleman has pointed out, there are no hard, fast rules that I am aware of, except to discourage any new one-industry mining communities. I think this was clearly established in Mattabi where every encouragement was used to either use the facilities at Sioux Lookout or at Ignace.

**Mr. T. P. Reid:** They are going to use Ignace, I trust.

**Hon. Mr. Bernier:** I think the economics will dictate it and certainly the future of Ignace is very bright, as far as I am concerned.

**Mr. T. P. Reid:** I am glad to hear that.

**Hon. Mr. Bernier:** Another example has been the development at Selco up on Uchi Lake where we have a copper-nickel mine going into production. Here we have a portable community and no commercial development as such—a small family resident complex will be established. Here, again, it is portable but basically they will be using the facilities of your halls.

With regard to The Mining Act, I think you are aware that I recently made a statement that a committee will be established to periodically review The Mining Act. This Mining Act only went into effect January 1, so we really do not have the opportunity at this time to find all the errors or mistakes—if there are any—but this committee will certainly be established to advise the minister and the department as to amendments periodically.

The leadoff man for the New Democratic Party, of course, had very ably prepared his

homework and has pointed out very ably that 1970 was a record for the Province of Ontario in the production of minerals. This is something that we are certainly thankful for, and I predict that maybe in the year ahead, without any foreseeable problems, we can even top this particular figure. I know that you will comment—

**Mr. Martel:** Might be we want jobs to go with it.

**Hon. Mr. Bernier:** You want jobs to go with it, I am well aware of that. I am concerned about your comments concerning the tarpaper shacks at the mining industry developments throughout northern Ontario. I do not think this is entirely correct.

**Mr. Ferrier:** Even the ones Hollinger provided for their employees in Timmins?

**Hon. Mr. Bernier:** Maybe you and the CBC are in the same bedroom, I do not know, but we have some good examples though—

**Mr. Martel:** Mr. Chairman, could I ask a question?

**Hon. Mr. Bernier:** Sure.

**Mr. Martel:** Are you suggesting that you have not seen community after community—

**Hon. Mr. Bernier:** Certainly, but we are going into a new field. You have got to realize we are in a new decade now.

**Mr. Martel:** Let us not distort what I said—I was talking about what the legacy has been.

**Hon. Mr. Bernier:** I know, but you are painting the picture pretty black sometimes.

**Mr. Martel:** What about Inco staff village?

**Mr. Lewis:** Yes, what about the staff village?

**Hon. Mr. Bernier:** I was at staff village yesterday and I wish you would go there. There is nothing wrong with staff village. I had dinner there.

**Mr. Lewis:** Well, I had dinner at staff village and it is a blight on northern Ontario.

**Hon. Mr. Bernier:** There is nothing wrong with it at all. I made a point to be there. It is only a temporary facility and you well know that.

**Mr. Lewis:** Temporary facility!

**Mr. Martel:** The Falconbridge one was a temporary facility in 1965 at Levack—1965,

Mr. Minister! You had to go to work to even get fire doors put on that—

**Hon. Mr. Bernier:** That one is being removed—you are well aware of that.

**Mr. Martel:** This was temporary in 1965. How long is temporary?

**Hon. Mr. Bernier:** Certainly, portable, temporary facilities. They are Atco portable homes. They are clean. They are well-ventilated—

**Mr. Martel:** They leak like a sieve.

**Hon. Mr. Bernier:** Not that I am protecting Inco by any stretch of imagination but I made it a point to visit staff village yesterday.

**Mr. Martel:** And they only have small rooms, 10 by 10.

**Hon. Mr. Bernier:** We went all through the whole facility.

**Mr. Lewis:** We do not have to stretch our imagination very far to think you are protecting Inco.

**Hon. Mr. Bernier:** The employment—and Mr. Martel will be interested in this; I do not know if I should bring it up, but I suppose I will, about employment opportunities in his home area—Inco today requires over 400 craftsmen and tradesmen.

**Mr. Martel:** Right. The question is where do they live?

**Hon. Mr. Bernier:** There are job opportunities available. They are there. Inco alone will employ 1,900 summer students, and for your information—

**Mr. Yakabuski:** Nineteen hundred?

**Hon. Mr. Bernier:** Yes, 1,900, by one company. And 220 of those students who were accepted by letter, formally accepted this spring, have yet to show up. Now these are the problems. To say that there are no job opportunities in the mining industries—there are!

**Mr. Martel:** Mr. Minister, the point I made is that by increasing production by 70 per cent in a five-year period—by 70 per cent—the total job opportunity increased by 5.6 per cent! Let us not run a red herring about that there are summer jobs available. I am talking about an increase of production of from \$964,000,000 to \$1,600,000,000. There has

been an increase in jobs of less than 3,000. Now that is nonsense.

**Hon. Mr. Bernier:** We are going into automation and certainly we are being very highly mechanized and certainly—

**Mr. Martel:** Certainly, there are no job opportunities.

**Hon. Mr. Bernier:** —in these modern times, we are going to need increased production and with increased production, of course, there will be an increase in employment. But you cannot relate the two directly. Do you want to go back to the horse and buggy days?

**Mr. Martel:** No, I am not suggesting that at all.

**Hon. Mr. Bernier:** You are moving in that direction. Things are speeding up.

**Mr. Makarchuk:** Well, Mr. Minister, you told us how many jobs Inco provides in Huntington, West Virginia, making monometal from copper and nickel—

**Hon. Mr. Bernier:** Certainly, I agree.

**Mr. Makarchuk:** There are 3,000 jobs and a \$40 million annual payroll. These are the kinds of jobs we need here.

**Mr. Lee:** That is fabrication. That is not—

**Mr. Makarchuk:** That is exactly what we are talking about.

**Mr. Martel:** We need secondary industry related to the mining industry. You brag about the records of how much you take out, but what is put back into this province?

**Hon. Mr. Bernier:** I cannot agree with you.

**Mr. Chairman:** Order, gentlemen! Continue, Mr. Minister, with your statement.

**Hon. Mr. Bernier:** I would point also that for every job in the mine, there are five jobs indirectly created and directly there are five jobs.

**Mr. Martel:** Where are the jobs created?

**Hon. Mr. Bernier:** In that area. In that particular area.

**Mr. Martel:** Oh, no!

**Hon. Mr. Bernier:** Well, you just check it and you will find these figures are correct.

**Mr. Martel:** No, you will not.

**Hon. Mr. Bernier:** With regard to processing, I cannot agree with you more. Certainly, with the introduction of section 106 this is the direction and the policy to encourage at every opportunity and the policy to encourage at every opportunity, where economically feasible of course.

I was interested in your comments with regard to exploration. I was glad to see that you are reading some of my press clippings. I think I have made it very clear that, in my term of office, I intend to place as much emphasis as I possibly can on exploration. Already, we have held meetings with the federal department and they are concerned about the gold camps, the dying gold camps. I refer to areas such as Red Lake, Geraldton, and Kirkland Lake.

Certainly, I have even said it publicly that I think these are the areas following the development of Timmins—we know there is an ore body there—these are the places we should be examining to the nth degree.

We know what the forest potential is in these areas. We know what the tourist potential is and before we leave them and they go down completely, we should examine, as far as we can, the mineral possibilities and potential and this is what we intend to do. I certainly cannot agree with the setting up of a Crown corporation. I am sure you—

**Mr. Martel:** Well, I knew that.

**Hon. Mr. Bernier:** I am sure you are well aware what happened in Saskatchewan. You are well aware of the problems.

**Mr. Martel:** I am not aware. You tell me what happened.

**Hon. Mr. Bernier:** Quebec is in a situation now and they wish they were out of it.

**Mr. Martel:** Tell me what happened in Saskatchewan.

**Hon. Mr. Bernier:** It is all history. It is all there.

Improved transportation—I think you will realize that this government is sold on the idea of improved transportation throughout the north. We have a new minister, a new department, dedicated to providing this. In fact, right at this very moment, we have a very intensive study going on, on the movement of men from Sturgeon Lake to Sioux Lookout via high speed electric car. These are new ideas that we are going into, that we are examining, to—

**Mr. Martel:** Rather than build a secretariat.

**Hon. Mr. Bernier:** Rather than build a secretariat.

**Mr. Martel:** We have been telling you this for 3½ years.

**Hon. Mr. Bernier:** We are looking into these things and certainly I appreciate your comments, but these are the things we are doing.

Growth centres—we agree entirely that there should not be any new one-industry communities and Sturgeon Lake is a good example. Selco is a good example. Shebandowan is a good example, where they should be taken by bus and transported to major centres. We are moving in this direction.

**Mr. Martel:** Let us talk about money.

**Hon. Mr. Bernier:** Money?

**Mr. Martel:** The returns on the value of mineral production.

**Hon. Mr. Bernier:** We will get into that as we go into the vote.

**Mr. Martel:** The first vote, Mr. Minister.

**Hon. Mr. Bernier:** Maybe we can head into that right now but, Mr. Chairman, those are my comments—

**Mr. Martel:** Mr. Chairman, I would make one point on what the minister has just said. He said that he supported—five jobs, did you say, for every job? There are 18,000 employees at International Nickel; at least 4,000 at Falconbridge; that is 22,000 employees. There should be, based on that—22,000 times five, if my mathematics are correct—111,000 jobs.

Interjection by an hon. member.

**Mr. Martel:** There are only 150,000 in the entire area. Are they all working?

**Hon. Mr. Bernier:** Not on their own doorstep.

**Mr. Martel:** How many of them are created in the United States then? That is the issue. That is the real issue, is it not, Mr. Minister?

**Hon. Mr. Bernier:** In the Province of Ontario we have a good deal of employment. You are well aware of that.

**Mr. Martel:** We come back to the real issue—the point I have made throughout—that jobs are created elsewhere. That is the issue, is it not? Many of them where? In the United States—some other country, I just do



not want to talk about it—some other country. To the disadvantage of whom? We, the people of Ontario, with 220,000 unemployed right now.

On vote 1301:

**Mr. Chairman:** All right, we will go on with the estimates. Vote 1301, the departmental administration programme.

**Mr. T. P. Reid:** On a point of order, Mr. Chairman, before we begin the first vote, where do we discuss the ONR? It is not in the estimates.

**Mr. Ferrier:** It is in The Department of Transportation and Communications.

**Hon. Mr. Bernier:** That is in the Transportation department.

**Mr. T. P. Reid:** Well, it is my understanding that this—has the official transfer taken place? Does it not require legislation?

**Hon. Mr. Bernier:** Not to my knowledge, no.

**Mr. Martel:** It has jumped only between three departments in one year.

**Mr. T. P. Reid:** Mr. Chairman, are we on to vote 1301?

**Mr. Chairman:** Yes, 1301.

**Mr. Lewis:** On a point of order, under which section do we discuss the pits and quarries?

**Mr. Lee:** Mine safety and public protection.

**Mr. Chairman:** Vote 1303.

**Mr. T. P. Reid:** May I proceed, Mr. Chairman?

**Mr. Chairman:** Yes, go on.

**Mr. T. P. Reid:** Thank you.

I want to make some comments that are perhaps not directly related to the estimate, but are related to the functions and responsibilities of the Minister of Mines and Northern Affairs. The one thing that I want to bring to his attention is the problem that was raised with me a year or so ago, and I spoke to the then minister about it, and that was the fact that—regardless of what my friend from the NDP has said—some mines, particularly smaller mines, have difficulty in raising finances. They are not all owned, run and operated by our friends to the south, although too many of them are.

One of the problems that many of these mining ventures have is the rather acute restriction imposed on them by the Ontario Securities Commission. The commission requires certain stringent rules to be followed, which has had the effect, according to some information that I was given, of restricting some mines being brought into operation, or even the development of the mines to the point where they could figure out whether or not operation was financially feasible.

The suggestion was put to me at that time that a member, either of the mining community or someone from northern Ontario who was cognizant of the particular problems of mining in the north and particularly of financing mining, might be put on the Ontario Securities Commission. I wonder if I could have the minister's comment on this.

**Hon. Mr. Bernier:** I have been involved in several discussions. I think you are referring to a risk capital or a junior exchange for a risk capital—is this what you are referring to?

**Mr. T. P. Reid:** Well, not in particular, but if that would solve the problem—

**Hon. Mr. Bernier:** I think this is the idea behind it, where the risk would be much higher than the present set-up. I am not directly involved, of course, in this; it is The Department of Financial and Commercial Affairs which is responsible for the securities commission as such.

**Mr. T. P. Reid:** Yes, I realize that.

**Hon. Mr. Bernier:** So any comment, of course, would be of a personal nature.

**Mr. T. P. Reid:** Well, of course, it is the minister's job to represent and protect and nourish the mining industry and I think this is something that comes directly under your purview.

**Hon. Mr. Bernier:** As I understand it, the tightening up by the Ontario Securities Commission came with the Windfall fiasco. This is the information which has reached me. There may be—

**Mr. Lee:** This is right.

**Mr. R. G. Hodgson:** The minister has recommended some consideration on this in the select committee on mining.

**Mr. Lee:** There is a member of our department on the securities commission now, Mr.

Guillet. But he acts more or less in an advisory capacity to the commission so far as mines are concerned.

**Mr. T. P. Reid:** Well, may I ask then, is The Department of Mines generally happy with the operation of the Ontario Securities Commission in regard to the development, particularly of junior mines, in a financial sense?

**Mr. Lee:** Well, of course, the public has to be protected and the government saw fit to establish the securities commission and it was for this reason they required prospectuses that would indicate—

**Mr. T. P. Reid:** I know all that, but are you satisfied? Do you feel that perhaps the present operations are hamstringing the development of some of these junior mines?

**Mr. Lee:** No, I do not think so. I think the commission is always quite fair.

**Mr. T. P. Reid:** All right, that is all I want, thank you. I have just one other thing, Mr. Chairman. I am tempted to move a reduction; does the deputy minister's salary come under personnel administration?

**Hon. Mr. Bernier:** Yes.

**Mr. Lee:** No, it comes under departmental administration—item 1.

**Mr. T. P. Reid:** Offices of the minister and deputy?

**Mr. Lee:** Yes—salaries and wages.

**Mr. T. P. Reid:** We should reduce that, but we will get to that later.

**Hon. Mr. Bernier:** Oh, you would not dare?

**Mr. T. P. Reid:** Oh, yes.

I raised with the minister, I just asked him by way of a question—and perhaps we can get into this in more detail under the geological services—would this deal with the mining recording offices—

**Mr. Lee:** That is programme 4—

**Mr. T. P. Reid:** Vote 1304?

**Hon. Mr. Bernier:** Yes, 1304.

**Mr. T. P. Reid:** Well, fine. There is just one more thing on this vote at the moment and that is that I asked the question of the minister about prospectors' licences and whether or not they could be renewed on the same basis as a car licence or a driver's

licence, in that when you get your licence there is also attached to the licence on the other side a change of address or renewal that you just tear off and send in if you are not near a licensing bureau.

Because some of the mining recording offices are so far from some other towns and so many people are isolated and the forms have to go back and forth. You have to be sent some application forms for a new licence; I wonder if it is possible to follow a similar situation as in the issuing of drivers' licences, so that the prospectors in particular can just send their licence in with their \$5 or whatever it is, and have it returned with the licence, instead of many of them having to spend a great deal of time either travelling to the office or going through the mail?

**Hon. Mr. Bernier:** I will ask Mr. McGinn to answer that.

**Mr. Lee:** I think he is skipping the vote.

**Hon. Mr. Bernier:** Yes, but he has asked the question so I think we should answer it, if it is all right.

**Mr. Chairman:** Yes.

**Mr. Martel:** Could you not keep order?

**Mr. Lewis:** I think it is worth pointing out that we are normally kept in order by the Chair, and I think, Mr. Chairman, that that might be followed hereafter, with all deference and respect to the hon. minister.

**Mr. Root:** Keep that in mind in the House some time when you are interrupting.

**Mr. Martel:** What were you saying?

**Mr. J. R. McGinn** (Director, Mining Lands Branch): In answer to your question, we do have on the licence, which primarily emanates out of Toronto, an attached form that the person can fill in. In the other mining recording offices there is a stamp that is placed on the licence and the person simply has to fill it in and return the licence to the recording office, or to Toronto, where it can be renewed. I also might add that when licences are renewed or issued, the mining recorder generally gives the person to whom the licence is issued a form which he can take with him and fill in should he wish to use that method.

**Mr. T. P. Reid:** That is the point. Many of these offices are now very far away from some of the prospectors and they do not want to have to go through all that trouble; they just

want to send their renewal in with their money and have it sent back in the mail. Now am I misinformed? Is this the case?

**Mr. McGinn:** My understanding is that the mining recorders do have a large stamp and on this licence that they issue or renew, they do stamp the form, which the people can fill in and simply return the licence directly to the mining recorder with the money, if they wish to renew their licence again.

**Mr. T. P. Reid:** Again?

**Mr. McGinn:** Yes. It has to be renewed every year. Do you understand what I said?

**Mr. T. P. Reid:** No, I do not understand why another form is required.

**Mr. McGinn:** I did not say that, I said that the mining recorder has a stamp—

**Mr. T. P. Reid:** Yes.

**Mr. McGinn:** —and on the licence that he issues, he stamps on the information, and the person can fill in that information and simply mail back the licence when it is required with the \$5. There is another licence that they can get, if they happen to get their licence renewed in Toronto, which they tear off and send back. So I think we are looking after it quite adequately.

**Mr. T. P. Reid:** Okay, fine. Thank you.

**Mr. Chairman:** Mr. Ferrier.

**Mr. Ferrier:** I am not sure whether this is on the first vote; perhaps you could inform me. There was supposed to be a study of silicosis in mines, and it was supposed to be released in 1971; is that in the first vote?

**Hon. Mr. Bernier:** That is vote 1303.

**Mr. Ferrier:** Well, I will wait until then.

**Mr. Chairman:** Mr. Stokes.

**Mr. Stokes:** Mr. Chairman, I would like to engage the minister for a few moments, if I could, on something much more philosophical than the things that are contained in the various votes. This is in regard to this strong feeling the minister personally has about mining and to the fact that a good deal of his riding—indeed a good deal of the north and its economy—revolves around the mining industry. A recently published document from this department for instance, indicated that about \$1.6 billion of new wealth was created by the mining industry as a whole, a good

deal of it in the north or that area lying north of the French River.

With the kind of potential there is for increased development in the north and the kind of programmes that he has shown a great deal of interest in and the kind of incentives and assistance that can be provided to the mining industry—and I am not criticizing the minister for going around in various areas in the north indicating new approaches for this department—does he really feel that \$12.5 million is really a significant amount to do the things that he aspires to do, now that he is the minister, and the things that he indicated should be done in the mining field on behalf of the people in the north?

The minister has indicated to the association of prospectors that a considerable increase would have to be forthcoming in his budget in order to do the things that he thinks that his department can rightly and properly do. I am wondering if the minister was in on the decisions that were made with regard to the amount of money; I am talking about the whole vote, \$12.4 million. Was he the minister when the budget was brought down or when there was a recommendation went from the department to Treasury Board as to the amount of money required to do the kind of job that the minister felt should be done?

It might be a little unfair for me to ask you this, since you cannot presume to speak for someone else, but during his last four or five months your predecessor did go through the north, not only in connection with his responsibility for mines but northern affairs generally. And he did indicate that there were an awful lot of things that should have been done over the past several years in the north and that, by gosh, if he had anything to say about it he was going to do something about.

**Mr. T. P. Reid:** Yes, but he lost the leadership, so he lost interest.

**Mr. Chairman:** I think we are getting away from the estimates.

**Mr. T. P. Reid:** Oh, I do not think so.

**Mr. Stokes:** I am just wondering what is the new minister's approach going to be toward the kind of things that are going to have to be done by this department in order to foster the kind of development that everybody feels is possible in the mining industry, particularly in the north.



**Hon. Mr. Bernier:** If I may just comment on that, Mr. Chairman, I think I have made it very amply clear that my efforts would be directed to increased exploration; there may be other programmes that we will come across and that we are looking into, which of course will be presented at the appropriate time. I think it is fair to say that as a northerner I will certainly do everything I can to increase the budget in a few fields that I think should be increased. No doubt there is, I think, possibly a need for an increase in research; this is an area we could perhaps be doing a little more in.

**Mr. Stokes:** Is there a possibility that you will be going to cabinet for supplementary moneys, or do we have to wait another year before you get money to institute all of these programmes that you have been speaking of?

**Hon. Mr. Bernier:** No, as you are aware, the budget was set up by the minister previous to me, and at the particular moment I do not have any—

**Mr. Martel:** You may even get your picture in the book.

**Mr. Stokes:** You do not think there is need for more moneys for things that you hope to do over the next twelve months?

**Hon. Mr. Bernier:** Certainly there is a need, but not by a crash programme—that is what I am driving at. I do not think we should go into the mining business with a crash programme; it should be a long-term planned deal. And if we can come up with a programme that is suitable for the increased development of the north, then I think that we can come up with something.

**Mr. Stokes:** In other words, inherent in your reply is the admission that there has never been any research done before, that you do not have any idea of what should be done—

**Mr. W. Newman:** You are putting words in his mouth.

**Hon. Mr. Bernier:** I did not say that.

**Mr. Stokes** —so that from this point you are starting at block one, and you say that you, as the new minister and as the one who is responsible for mining, are going to start to do some research. Are you saying that nothing has been done of a significant nature upon which you could base your short-term plan?

**Hon. Mr. Bernier:** Oh no, certainly not. You know very well that there has been research going on. This is one of the oldest departments of the Ontario government, as you are well aware, and there has been a tremendous amount of research done over the years. But we have got to keep up with the times. No doubt there is modern technology and modern science going on and there are fields that we may be able to develop and branch into, but of course, exploration will be the main purpose.

**Mr. Stokes:** I would like to ask the minister, in that connection, what he can tell us about the Ottawa workshop that was held just recently under the aegis of his federal counterpart and at which were representatives from provinces, the mining association and the Prospectors and Developers Association, and there is going to be a degree of co-operation to supplant the diminishing economic effects of the depletion of gold mines in the Timmins-Val d'Or-Kirkland Lake area of Ontario and Quebec. What was the purpose of this, as it affected Ontario, what came out of it and what might we expect as a result of it?

**Hon. Mr. Bernier:** I wish the member had been here when I replied to his leadoff man earlier. I mentioned that very meeting—I think my deputy minister and Mr. McGinn were at that meeting. This is the first of many meetings I think that we will go through, where the federal government has indicated their desire to co-operate in these areas.

**Mr. Stokes:** So this was initiated by the federal government?

**Hon. Mr. Bernier:** We talked about it—I think we made several comments about it—and we have been looking at it for some considerable time. I know as soon as I came into the department it was mentioned to me that these were areas we should be concentrating on, designated areas. Specifically, I refer to the Red Lake area in the great Kenora riding. It may need some special attention, I do not know.

**Mr. Stokes:** What about the Beardmore-Geraldton area?

**Hon. Mr. Bernier:** Yes, this is right and the Kirkland Lake area.

**Mr. Stokes:** So you are going to have a series of meetings dealing specifically with the problems of those communities?

**Hon. Mr. Bernier:** Yes, this is the first of many that we will have and I think the

federal government is aware, because the EGMA is fading out in—was it in 1972, 1973?—is being faded out. With the decline in the gold-mining industry we have to come up with some answers and we should examine, to the nth degree, the mineral potential in those places where there is a known ore body. This is what we intend to do and we will be following that very, very closely.

**Mr. Stokes:** All right then. In connection with that are you giving any thought toward setting up a fund, a sort of a resource tax—not an additional tax on the mining industry? But say there is \$50 million of new taxation money—I am told it is closer to \$25 million, so perhaps I had better use that.

Why do you not give some thought to allocating a percentage, whether it be one, two, three per cent, of the revenue that would accrue to the province and to the Treasury as a result of those taxes? Why do you not establish a fund, such as has been established by that great government in Manitoba, to assist municipalities that are being phased out as a result of depletion of ore bodies?

I am told that this programme in Manitoba met with a great deal of favour. In it all of the revenue that accrues to the province from a given area is set aside for the inevitable day when the ores are exhausted. You can use that to provide some equity for individual small businessmen, or as a fund for exploration, or something of that nature in order to maintain some viability for those communities whose economy is based on the mining industry.

Do you have any thoughts on this? Have you given any thought to it?

**Hon. Mr. Bernier:** No, I have not given it any specific thought. I think you are well aware of the taxation policies in the mining communities. We have the mining revenue payments; it is very well established.

**Mr. Stokes:** Do you not think it is a good idea?

**Hon. Mr. Bernier:** I really cannot get excited about it. No, I think there are other ways of doing it. I would like specific programmes.

**Mr. Stokes:** Like what?

**Hon. Mr. Bernier:** Specific exploration programmes based in the Geraldton area, for which maybe we could give certain types of incentives.

**Mr. Stokes:** Like what?

**Hon. Mr. Bernier:** To mining companies, to go in there and do exploration work.

**Mr. Stokes:** Like what?

**Hon. Mr. Bernier:** Just what I am saying, to do exploration work.

**Mr. Lewis:** Provide funds?

**Hon. Mr. Bernier:** Oh, yes, incentives—maybe on a cost-sharing basis.

I think we have to realize the mining industry is not interested in going to the Geraldton area because it is depleted as far as they are concerned. But we look at Timmins. What happened in Timmins? I am not a geologist, I do not profess to know all the answers.

**Mr. Martel:** Is there iron ore in Geraldton?

**Hon. Mr. Bernier:** Oh, yes.

**Mr. Makarchuk:** Mr. Chairman, the minister cannot really operate in the province in isolation, by himself. In other words, the Mines department cannot provide jobs and cannot provide regional growth or regional development by itself. It would have to be working in consultation and in co-operation with the other departments of government, particularly The Department of Trade and Development and also with the Treasury department, the regional development branch.

Could you give us an indication now exactly what consultations are going on between these two departments and your department and, possibly, what goals are involved?

**Hon. Mr. Bernier:** No, but the thing is, once we get a programme established within our own department then we will be going to other departments and revealing to them what we think should be set up in northern Ontario for these particular areas. Until then—until we get something specific—

**Mr. Makarchuk:** In that case, you say you are going to establish a programme in your department. What role will this programme have? What will be the intent of this particular programme? What do you intend to do with the programme?

**Hon. Mr. Bernier:** I think I have explained it about four times—I keep having to repeat myself. We are looking at increased exploration in the province.

**Mr. Makarchuk:** Is that the only programme?

**Hon. Mr. Bernier:** This is the start of it.

**Mr. Stokes:** Will you take some equity if you put funds in?

**Hon. Mr. Bernier:** No, I am not really—

**Mr. Makarchuk:** Do you have any ideas, Mr. Minister? Do you have any ideas what you want for northern Ontario, in that case, besides increased exploration? Do you see it in terms of jobs, in terms of communities, in terms of people? Do you see anything beyond that?

**Hon. Mr. Bernier:** Of course, with increased exploration and possible increased mineral finds—

**Mr. Makarchuk:** And possibly you are going to have jobs?

**Hon. Mr. Bernier:** The rest will follow. There has to be a starting point. There has to be a starting point.

**Mr. Makarchuk:** Do you have anything concrete, in other words?

**Mr. Lewis:** Have you anything specific about inducing increased exploration?

**Hon. Mr. Bernier:** About inducing it?

**Mr. Lewis:** Yes.

**Hon. Mr. Bernier:** No, we are looking at a number of programmes. We are just starting, yes. I think you realize I have only been here, what, two months?

**Mr. T. P. Reid:** You are saying your predecessor did not know?

**Mr. Stokes:** This confirms my suspicions earlier that nothing has been done by either of your predecessors to leave a legacy for you to expand on and to build on.

**Hon. Mr. Bernier:** Well, maybe they had different ideas.

**Mr. Lewis:** What are you going to do, go back to DeBeers and tell them to come on back into Ontario and look for diamonds in the rock formations outside Moosonee and Moose Factory?

**Hon. Mr. Bernier:** No, I do not believe so.

**Mr. Lewis:** Do not laugh at this. There is much speculation about this possibility of finding diamonds. You might just enter into

special arrangements to find some minerals or engage in oil drilling in Hudson Bay. Are you going to tap the iron ore potential around you? How are you going to do it?

**Hon. Mr. Bernier:** I am not prepared to spell it out at this particular time because I have not gone that far into the study of it. I just want to make that very, very clear.

**Mr. T. P. Reid:** May I ask the minister—

**Mr. Chairman:** Order, gentlemen. I think Mr. Stokes had the floor and we have got into a wide-ranging discussion at the moment.

**Mr. Makarchuk:** May I pursue the same point?

**Mr. T. P. Reid:** Mr. Chairman, I was in line with this. I wanted to raise the question that in last year's public accounts under The Department of Mines there was a section on promotion of mining development.

**Mr. Chairman:** Where does this come under vote 1301?

**Mr. T. P. Reid:** That is what I wanted to know. In line with what we are talking about, I would like to know what that promotion of mining development was. It was my understanding that it was the kind of programme that the minister was talking about.

**Mr. Stokes:** It went underground.

**Mr. T. P. Reid:** There is nothing in these estimates that indicate that there is anything of that particular type.

**Mr. Chairman:** There is on another vote, Mr. Reid. We are going to get back to 1301.

**Mr. T. P. Reid:** Could you tell me what vote that is?

**Mr Chairman:** Vote 1304.

**Mr. Makarchuk:** Can I pursue this matter again? This is a matter of policy, we are trying to discover what the policy is of this department and just exactly where it is going. The minister says he has a programme, or will have a programme—

**Hon. Mr. Bernier:** I did not say we had a programme. We are studying it. Do not put words in my mouth.

**Mr. Makarchuk:** I am sorry. You were going to study whether you are going to have a programme. That is the truth of it.



**Hon. Mr. Bernier:** We are looking awfully hard and we want to find some answers. I am here to answer about the developing of the north and the problems of the north, as is your friend beside you.

**Mr. Makarchuk:** All right. And you are also against sin and for motherhood. But could you tell us if there are people involved in your department right now who are studying the study that will eventually come out with this programme for increased exploration? Who are the people involved?

**Hon. Mr. Bernier:** Oh, no. I am not prepared to give that information right at this time. We are very much ahead and the initial stages are being set up.

**Mr. Makarchuk:** Surely, Mr. Chairman, if we are going to discuss the estimates of this particular department, we are entitled to know exactly, with some details. Why do you not tell us what is going on in the department?

**Hon. Mr. Bernier:** If I had the programme before me—it would be a lot easier if I could reveal the programme to you. Then we could break it apart. We are just going into it.

**Mr. Makarchuk:** The minister said, if I may continue—

**Hon. Mr. Bernier:** I am putting the emphasis in this particular area.

**Mr. Makarchuk:** The minister said that there is a study going on concerning the possibility of expanding exploration.

**Hon. Mr. Bernier:** Necessity.

**Mr. Makarchuk:** You did not say that.

**Hon. Mr. Bernier:** There are discussions going on within my department. They are finding ways.

**Mr. Makarchuk:** I see. Who are the people who are carrying on these discussions?

**Hon. Mr. Bernier:** They are at my level, and I am not going any further than that. It is a departmental discussion. That is as far as it should go.

**Mr. Lewis:** What does that mean?

**Hon. Mr. Bernier:** What difference does it make if I had the chief geologist or Mr. Lee at this talk?

**Mr. Lewis:** We would like to know.

**Hon. Mr. Bernier:** Certainly, they are all involved in it. The whole department is involved. We have some top-notch people here.

**Mr. Lewis:** I appreciate that.

**Hon. Mr. Bernier:** We are going to extract views from all of them.

**Mr. Stokes:** What options do you have available to you then?

**Hon. Mr. Bernier:** I am looking for all kinds of options. If you have any ideas, I would like to hear them.

**Mr. Makarchuk:** We have been giving them to you for the last three and a half years.

**Mr. T. P. Reid:** This has been a stagnant discussion.

**Mr. Makarchuk:** Mr. Chairman, what the minister is really saying now is that despite the loud noises or the great concern of those expressed about the north, in reality he has absolutely nothing going on in his department.

**Hon. Mr. Bernier:** Oh, no.

**Mr. Makarchuk:** If you do, tell us what was going on. All you are saying right now is that you have discussions for a study to increase exploration.

**Hon. Mr. Bernier:** We have a vote in the geological branch. You will see what we are doing in the field of geological surveys. We have increased this. There is all kind of work going on in this department. This is a service department. We are expanding this.

**Mr. Makarchuk:** What I am trying to ascertain, Mr. Minister, as I said earlier, is that there has to be some co-ordination between your department, the Trade and Development department, the regional development branch and so forth, to provide the kind of growth, the kind of jobs and such that we want in northern Ontario. In that area we asked if you had any discussions with these branches; and in answer to that all you said—

**Hon. Mr. Bernier:** Not yet, no!

**Mr. Makarchuk:** —was that “we are having a study about increased exploration,” and that is it. Surely this is not going to provide that kind of growth—

**Hon. Mr. Bernier:** Well, give us time. After all—

**Mr. Makarchuk:** In that case, what have you been doing for the last 25 or 27 or 28 years? How much time do you want?

**Mr. Stokes:** In connection with that, Mr. Chairman, the minister's predecessor in this department convened three meetings, one at Sudbury, one at Timmins and one at Thunder Bay. He said, "This is what I am going to get involved in." There was more feedback from those three meetings in northern Ontario than there has been over the last 30 years. They went into all aspects of living in the north, all the problems inherent in living in the north—transportation costs, the whole bit—and the minister at the completion of this said: "This is participatory democracy at its best. Now we know where we are going. We know what the people feel. We have the feedback."

**Mr. T. P. Reid:** Onward to the leadership!

**Mr. Stokes:** Now as a result of this feedback that you got—and I do not need to bore the minister with all of the details of it—obviously there were things you must have found useful. You must be able to give us something tangible as to where you are going with regard to the fostering of greater mineral exploration in the north.

**Hon. Mr. Bernier:** Well these are things we will examine in our discussions within the department.

**Mr. Stokes:** Surely the department examined these long before you appeared on the scene!

**Mr. T. P. Reid:** I said this last year and I will say it again: this department is purely functional. It does not perform any service at all other than to provide a backup service to the mining industry. What we are looking for—this whole committee, particularly those of us from the north—is some initiative on the part of the minister.

**Hon. Mr. Bernier:** Well give me a chance!

**Mr. T. P. Reid:** All right, your government—

**Mr. Martel:** Lawrence of Ontario said that too.

**Mr. T. P. Reid:** —has had the responsibility for 28 years, Mr. Minister.

**Hon. Mr. Bernier:** I know to you fellows I will never do enough. Believe me I will—but give me a chance.

**Mr. W. Newman:** Come on!

**Mr. T. P. Reid:** Your predecessor, with a great deal of fanfare, went around the north and studied the problem; however, since he lost the leadership he has lost complete interest in northern Ontario. But surely all the cost, the time and the effort that went into those meetings of last year has sunk into some of the heads of your department, and surely in these estimates you are prepared to come up with some concrete proposals. This was my complaint when we started.

**Hon. Mr. Bernier:** I said right from the start that I am not going to be involved in any crash programmes. When we decide something within the department, then we will give you—

**Mr. T. P. Reid:** You have convinced us; there is no question in my mind.

**Mr. Makarchuk:** Anything that takes less than 28 years becomes a crash programme.

**Mr. Chairman:** Mr. Smith.

**Mr. R. S. Smith:** This is basically one of the questions—

**Hon. Mr. Bernier:** It was a philosophical question to start off with, and here we are.

**Mr. R. S. Smith:** The previous minister held these three meetings in the north and got all these great suggestions, 95 per cent of which the government was well aware of before. Then he moved and he had a big meeting at the provincial-municipal conference, which he announced with other things. But really what it has come down to, what has happened in that year and a half or two years, is that he has developed 25 information offices across the north. He went across the north following the development of those offices, and if anybody said anything, he agreed with them and said, "This is what we should be doing." If you listed them all, you could fill a book with the statements by the previous minister. But really there was nothing done except a lot of statements.

**Mr. Stokes:** Do not let the people of the north get the impression that you are going to launch another study.

**Hon. Mr. Bernier:** I did not say that; it is being discussed within my department to start with.

**Mr. Stokes:** I hope the media do not report today that the minister is going to have a study to study the study, because—

**Mr. Lewis:** He did not say that; he said he was going to have a discussion.

**Mr. Chairman:** Order, gentlemen! Mr. Smith has the floor. Order, please!

**Mr. R. S. Smith:** The thing is, Mr. Minister, that since the change from the previous minister to yourself, there has been very little said about northern Ontario by your department other than comments to do with mining. I am not saying that your department should do away with the other responsibilities, but I would like you to tell me what you feel your responsibilities are as Minister of Northern Affairs. Your predecessor had one idea of what his responsibilities were and apparently carried them out to the best of his ability, although they were not successful.

I would like to know what you consider your responsibilities are outside of the mining industry. I realize this department is orientated toward that, but we in the north looked to The Department of Northern Affairs as something different that was going to be able to bring together all the areas of government to formulate programmes that would work, but obviously there has been a change.

**Hon. Mr. Bernier:** I think the member has the wrong idea, really he has.

**Mr. R. S. Smith:** That is why I am asking.

**Hon. Mr. Bernier:** Because the Northern Affairs branch came out of those three conferences in the north.

**Mr. Makarchuk:** Do not worry, we will not get the wrong idea.

**Mr. R. S. Smith:** Pardon?

**Hon. Mr. Bernier:** The Northern Affairs branch came out of the three conferences held in the north. At that time, two glaring things shone through very brightly. One was the lack of communication with Queen's Park, and the other was increased or improved transportation facilities in the north. Those were the two key things.

The former minister did a tremendous job in setting up Northern Affairs, whereby the people in northern Ontario have instant communication with Queen's Park by way of a very comprehensive Telex system. Certainly you yourself and the member for

Sudbury East opened up one of those offices with great glory and fanfare.

**Mr. Haggerty:** You mean Elie took part in it?

**Hon. Mr. Bernier:** Yes, he took part in it; he was there.

**Mr. T. P. Reid:** Oh I bet he was grinning from ear to ear.

**Hon. Mr. Bernier:** He was cheering.

**Mr. T. P. Reid:** I will bet he was.

**Hon. Mr. Bernier:** He thought it was great.

**Mr. T. P. Reid:** I will bet you he has 10,000 prints of that opening.

**Mr. Martel:** They did not even run the picture in the Sudbury Star.

**Hon. Mr. Bernier:** The northern members really accepted this as an information centre. I must point out personnel at these centres are not ombudsmen, they are there to assist the local people with information. They assist them to get in contact with a department that is not established in that particular community and provide information for the general public.

I am not a Northern Affairs minister to look after all the problems of northern affairs. There are just not enough hours in the day.

**Mr. R. S. Smith:** What I am trying to find out from you is, what is lacking? What do you consider your job to be as Northern Affairs minister? Is the totality of your job the information offices that have been opened up as far as Northern Affairs—

**Hon. Mr. Bernier:** It certainly does not stop there.

**Mr. R. S. Smith:** Where does it go if it does not stop there? This is what I would like to know.

**Hon. Mr. Bernier:** I think that being a northerner I would be interested in all the unique problems of northern affairs, but I am certainly not going to encroach on the affairs of another minister. After all, he has got his own jurisdiction and he knows his particular range and his field, and it is not up to me to encroach and stick my nose in his particular area.

**Mr. R. S. Smith:** The second thing that you said came out of those three meetings was the question of transportation in northern Ontario. I presume this is why the ONTC



was moved into your department and the previous minister made announcements that he was going to take over the other rail beds from the CNR. He was going to develop regional carriers in northern Ontario; this was going to be looked into. There were certain aspects of development roads that were going to be changed and the government was going to move more quickly into that area. But really, that is all out of your department now. I am trying to find out what you are trying to do.

**Mr. Martel:** Get publicity!

**Hon. Mr. Bernier:** I just said I am in charge of the 25 northern affairs offices.

**Mr. T. P. Reid:** And that is it. That is the extent of the minister's responsibility.

**Mr. R. S. Smith:** That is the extent of his responsibility?

**Hon. Mr. Bernier:** That is it, yes.

**Mr. R. S. Smith:** That is the minister's only responsibility. Well then, the name Minister of Mines and Northern Affairs is a hoax and a misnomer.

**Mr. Stokes:** They even leased the 25 cars from Corries in Toronto.

**Hon. Mr. Bernier:** We will get to that later.

Interjections by hon. members.

**Mr. T. P. Reid:** We are not arguing that. It is unfortunate that the rest of his cabinet colleagues—

**Mr. Chairman:** Order, gentlemen!

**Hon. Mr. Bernier:** I think the member for Nipissing is confusing the issue though.

**Mr. Chairman:** Are you through, Mr. Smith?

**Hon. Mr. Bernier:** Did you have the impression that I was a Northern Affairs minister to look after all the problems and affairs of northern Ontario?

**Mr. R. S. Smith:** But you think now that your only responsibility is these northern offices.

**Hon. Mr. Bernier:** That is my direct responsibility, but it is not the end of my interests.

**Mr. R. S. Smith:** I am not talking about your interests. I do not question your interest in northern Ontario.

**Mr. T. P. Reid:** You are getting good. You do not answer any questions either.

**Mr. R. S. Smith:** And you do not have any responsibility either.

**Hon. Mr. Bernier:** Certainly I have responsibility. We have a tremendous network of telecommunications to the north. We have a large establishment up there. We are a service department and we are servicing the people of northern Ontario.

**Mr. R. S. Smith:** Do you have a screw-driver?

This is not something that has anything to do with policy. The question of an information office with a Telex machine has nothing to do with the policy of the government. What I am interested in is what policy are you developing as an outcome of those three northern conferences?

**Hon. Mr. Bernier:** Out of that of course, came the—

**Mr. S. Farquhar (Algoma-Manitoulin):** It boils down to the fact that those who are interested in the north were very delighted, I must say, when you got the portfolio together. They started to visualize, "What can happen when a guy who knows all about northern Ontario . . .?"

**Mr. Haggerty:** Now you know!

**Mr. Stokes:** Everybody said, "Leo the Lion, hurrah."

**Mr. T. P. Reid:** Instead of roaring he goes miaow.

**Hon. Mr. Bernier:** Just a minute, gentlemen—

**Mr. Farquhar:** If I could just finish what I am trying to say.

**Hon. Mr. Bernier:** The framework of this department was set up long before I got here.

**Mr. Farquhar:** I understand that, but, of course, the responsibilities of this department have changed. The responsibilities of the departments have changed, including this department. For instance, you no longer have any jurisdiction over Ontario Northland transportation, which is a vehicle and a machine for development that we could have lots of hope for. You are familiar, absolutely

familiar, as familiar as anybody, with Indian problems, and you did not get that. I thought, oh boy! here is something that could happen; but it did not happen.

I am not interested in the reason it did not find its way into this department, but there was some hope that if it had we would go somewhere in Indian affairs.

You are in charge of the department of which the first part of the title is Mines. Of course, the mining industry is run by the mining industry, and everybody knows it. That is why the department has not very much function in that industry at all. In the Northern Affairs office you are in charge of 25 officers who are told specifically not to do anything, not to take any initiative. You know that as well as I do.

**Hon. Mr. Bernier:** They provide information.

**Mr. Farquhar:** This is liaison and that is it. That is quite right. So your function there is to make sure that your officers do not do anything.

**Mr. Yakabuski:** Oh come now; you do not believe that, do you?

**Hon. Mr. Bernier:** Oh I think that is going too far.

**Mr. Martel:** I work with three of them. There are three in my riding.

Interjections by hon. members.

**Mr. T. P. Reid:** Do you have one in your riding?

**Mr. Yakabuski:** Is there no initiative at the local level up there?

An hon. member: No!

**Mr. Yakabuski:** Is there none?

**Mr. Stokes:** We would do better if we had Telex.

Interjections by hon. members.

**Hon. Mr. Bernier:** These are some interesting comments.

**Mr. Farquhar:** All right. Maybe this is getting a little away from the matter, but you will have to agree with me that those particular Northern Affairs officers have no function except liaison. A secretary in my office can do the same thing.

**Mr. Yakabuski:** Oh no!

**Mr. Farquhar:** Well all right, we will leave that.

**Mr. Yakabuski:** Better probably!

**Mr. Farquhar:** We will leave that. The other thing—

**Mr. Yakabuski:** That is what you said you wanted prior to that meeting.

**Mr. Farquhar:** I am interested in the Northern Affairs offices. They are a big help to me, and I appreciate them.

**Hon. Mr. Bernier:** I hope you would be.

**Mr. Farquhar:** But I thought they would have a bigger function than that—I really did—than liaison. I think when we get into the Northern Affairs vote we will have something more to say.

**Hon. Mr. Bernier:** Fine. We will certainly discuss that.

**Mr. Farquhar:** I am just dealing with it in principle in relation to your total programme.

You are saying, of course, as far as mines are concerned, you have not a programme. You are thinking about a programme, you are studying a programme that will do something and, therefore, everything—the reams and reams of paper that were developed by the former minister—has been shoved somewhere else. I mean, you are starting from scratch. You must be.

**Mr. Martel:** All he was looking for was a power base for the leadership.

**Mr. Farquhar:** And you did not get Indian affairs—Indian development—which is what I had hoped would happen in this department as it would have done something about finally rounding out The Department of Mines into something that was functional, positive and had a real impact in northern Ontario. That, until we get to the votes, is all I have to say.

**Mr. Stokes:** I would like to wind up on that one.

**Mr. Chairman:** I think Mr. Smith has the floor, Mr. Stokes.

**Mr. Ferrier:** He is as surprised as anybody else.

**Mr. Martel:** Would you please keep a list of the speakers, Mr. Chairman, so I do not have to wait for four hours on the department?

**Mr. R. S. Smith:** Mr. Chairman, I guess I am unable to get a definition from the minister—

**Hon. Mr. Bernier:** I gave it to you.

**Mr. R. S. Smith:** —as to what his responsibilities are.

**Hon. Mr. Bernier:** As clear and simple as I could.

**Mr. R. S. Smith:** Your responsibilities for northern affairs, then, are those 24 or 26 offices, and that is it.

**Hon. Mr. Bernier:** That is exactly right. It is spelled out here exactly what the responsibilities of this department are.

**Mr. W. Newman:** It goes far beyond that.

**Mr. R. S. Smith:** He says that—what are you, the minister?

**Mr. Martel:** He says no. You said yes. Who is the minister?

**Mr. W. Newman:** He has already said he is very concerned with northern affairs.

**Hon. Mr. Bernier:** Certainly I am very interested, but my responsibilities—

**Mr. R. S. Smith:** We will ignore the pretender to the ministership over there.

Obviously then, I agree with the minister. These are the minister's responsibilities and he has no other specific responsibility. I congratulate him for his frankness in this, because the last minister gave us to understand that he had responsibilities that carried him from Manitoba to Quebec and anything in between. We thought he was going to sweep across there and fix everything up and we would have jobs and everything.

**Mr. Ferrier:** He was a Conservative messiah.

**Mr. R. S. Smith:** That is right. But even the present minister could see through him, because he did not support him for the leadership.

Interjections by hon. members.

**Mr. R. S. Smith:** That is another mark in the minister's favour. But there is one other specific question I want to ask the minister—this is on another subject we discussed earlier—with regard to Inco. I would like to know what the department knows of the proven reserves that Inco has in the Sudbury basin and their expected length of life—

**Mr. Martel:** One hundred years.

**Mr. R. S. Smith:** —in number of years—

**Mr. Martel:** A hundred!

**Mr. R. S. Smith:** It does vary. Some people will tell you 30, and some people will tell you 100.

**Mr. Martel:** They tell you 30, but it is about three times that long.

**Mr. R. S. Smith:** I would like to know what the department's opinion is?

**Mr. W. Newman:** Is the member for Sudbury East taking over the minister's job now?

**Mr. Martel:** I know what they say. I know what the engineers tell me.

**Mr. R. S. Smith:** Can the minister not tell me the proven reserves and what the expected—

**Hon. Mr. Bernier:** This is that private company's own concern.

**Mr. R. S. Smith:** Just a minute. How can you develop an overall policy for northern Ontario or for any specific region unless that type of fact is known to you? How can you say that we will build, or will attempt to establish in the Sudbury basin this type of a municipal structure, this type of a future, if you do not know—

**Hon. Mr. Bernier:** May I interrupt right now? The Stelco operation was a good example, or Sturgeon Lake, when the question of a new community was talked about. Then the company revealed that they had X number of years of known ore reserves blocked out at that particular time and the decision was based according to the information that was available. If there is a major decision to be made by the government, certainly it will look into the ore reserves of a mining company in that specific area—

**Mr. R. S. Smith:** Like Shebandowan?

**Hon. Mr. Bernier:** Yes, they looked into it—

**Mr. R. S. Smith:** Speak specifically!

**Hon. Mr. Bernier:** Yes, we could find out very quickly if there is anything specific you wanted

**Mr. R. S. Smith:** About Sudbury, how can your department be functional if it does not have this type of information with regard to, say, the Sudbury basin? I look at the area



that is closest to me that has problems—the Cobalt area, for example, where industry has gone down, where they have paper-shack homes that have been built by the mining industry over the years and this type of thing. We would like to know—and I am sure your department in the government would like to know—where an area like Sudbury is going, as far as this is concerned.

**Hon. Mr. Bernier:** There are certain problems in this, because—I mean Cobalt is a really good example. The silver ore reserves in Cobalt are still fantastic, but the price of silver has dropped to a level where it is not economical to mine it. So there are all kinds

of aspects that affect the economic situation in that particular area.

**Mr. R. S. Smith:** That is right, but proven reserves are one of the basic things.

**Mr. Chairman:** Gentlemen, it is now six o'clock. We will adjourn until Monday afternoon and at that time we will proceed with the estimates on an item-by-item basis within the votes.

**Hon. Mr. Bernier:** Did we get one vote through yet?

**Mr. Chairman:** No.

The committee adjourned at 6 o'clock, p.m.

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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Mines and  
Northern Affairs

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Monday, June 7, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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# LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JUNE 7, 1971

The committee met at 3.05 o'clock p.m., in committee room No. 1, Mr. M. Hamilton in the chair.

## ESTIMATES, DEPARTMENT OF MINES AND NORTHERN AFFAIRS

(continued)

**Mr. Chairman:** We will continue the estimates of The Department of Mines and Northern Affairs, item by item today. On vote 1301, item 1. The offices of the minister and deputy. Mr. R. G. Hodgson.

**Mr. R. G. Hodgson (Victoria-Haliburton):** When the committee rose the last time I was going to ask a question. Fifteen per cent of the overall increase in your department estimates for this year are for expenditures; how much of this is for the new part of northern affairs?

**Hon. L. Bernier (Minister of Mines and Northern Affairs):** The new Northern Affairs branch is \$774,000.

**Mr. R. G. Hodgson:** Was that in last year's estimates?

**Hon. Mr. Bernier:** No, this was not in last year's figures at all.

**Mr. J. E. Stokes (Thunder Bay):** How much of that is in the estimate of the first though, \$400,000?

**Hon. Mr. Bernier:** None at all!

**Mr. Stokes:** Right! I would like to get in and ask the minister, as a matter of policy, if he has given any thought to or if he has seen, a study put out by the Economic Council of Canada, released on May 20, 1971? It is some work done by a Dr. Dawson. I have not seen the report itself but the press release associated with it indicates that there are some pretty revealing things that are going on in the mining industry.

What it says is that the overall growth of the mining industry is due to an injection of new capital and a little labour, rather than a more efficient use of capital and labour. It tends to indicate that if that capital and labour had gone into other industries, it

might have been used more efficiently and increased productivity in those industries.

It points out that mining development creates a fair number of jobs at the beginning—that is during the exploration and construction—but not much of a permanent nature except for an overflow of production valued at so many dollars, which will never recur. I am wondering if the minister or anybody in his department has seen this survey which was conducted by Dr. Dawson with regard to the effects of productivity, on labour, resulting from capital expenditures in the mining industry, and if this is not a clear indication of the only way you are going to get dollar value for money invested in the mining industry.

I think at one time, not too many years ago, if you invested \$25,000 in the mining industry it represented one job. I think this report indicated that it takes \$100,000 invested in the mining industry today to create one job. Obviously, if there is any future in Ontario, certainly in northern Ontario where the economy is based on resource and extractive industries, the only way you are going to get any real value, anything tangible resulting from the expenditure in the mining industry, is to have a greater degree of processing, hopefully and ideally at the source of the resources.

Is the minister aware of this study? Is anybody in his department aware of it? As a result of the findings of this study, will there be any action taken by this government and this minister to impress upon the mining industry that we must have more processing done at the site of the resources in order to get a much greater return on money expended for extraction of resources and the development of our mineral wealth?

**Hon. Mr. Bernier:** Mr. Chairman, I have not seen the study to which the hon. member for Thunder Bay refers. Certainly, I will make a point of getting a copy of it and going into it in some detail, plus some of the department—have you seen it?

**Mr. D. P. Douglass (Deputy Minister):** No, I have not seen it.

**Hon. Mr. Bernier:** I think many of the points the member brought up today were

discussed, maybe not in complete detail as you bring them up now, but they were touched on in last Thursday's session.

**Mr. Stokes:** The reason I bring it up is because every time we propose something, an innovation or something like this that might bring greater benefits to the economy of the province and indeed the people of the province, you say, "We will take this under advisement; we will study this." This is a study that is already done and if it has any validity at all it means that you can go from here and say, "Based on these findings, if we are going to get value on behalf of the people of the province for money spent in the mining industry, obviously we are going to have to have a far greater degree of processing."

There is nobody knows more than the minister than in any of the northern communities—with the exception, say, of Sudbury and to some extent Timmins—in any of the others, the people are there because of the mining activity. It is quite obvious that they are still the hewers of wood, the drawers of water, and no real lasting benefits ever accrue to those people and those communities as a result of exploitation of our mineral wealth.

I just hope that the minister will not say, "Okay, we are going to conduct a study." This study is already made. It makes certain observations which I think are valid and can be proved—witness the north. Obviously, you can go from here and evolve a programme which can bring a much greater degree of processing in the north, the benefits of which will accrue to the people up there.

**Mr. W. Hodgson (York North):** Mr. Chairman, before you leave that, who was this study requested by and who was it done for?

**Mr. Stokes:** By the Economic Council of Canada.

**Mr. Chairman:** Shall item 1 carry? Mr. Martel.

**Mr. E. W. Martel (Sudbury East):** Mr. Chairman, the other day we had a slight conflict—I believe Mr. Lee intervened and said we got more from taxes and in a few areas other than what I had presented. He was going to look up what these taxes were and how much they represented.

**Mr. B. C. Lee (Finance and Administration Branch):** It was actually on an estimated basis only; that was all we could do.

**Mr. Martel:** Right!

**Mr. Lee:** It turned out to be about \$2.6 million, and that was as a result of the industrial mineral production of something like \$188 million.

**Mr. Martel:** Of \$188 million? We got \$2.6 million.

**Mr. Lee:** We got about \$2.6 million—that is, the municipalities did.

**Mr. Martel:** Right. We certainly accrue a lot of wealth from the mineral industry. As I pointed out the other day, we accrued for 1968, counting federal and provincial—maybe we can get some of the nitty-gritty on it today—about 2.26 per cent of the total value of mineral production in Ontario. That includes corporate returns and the provincial tax under The Mining Act. There is about \$16 million from the provincial share; the federal share is about \$14.68 million on the total value of production of \$1.3 billion. I am using your figures, by the way.

**Mr. Lee:** You are fairly right there. The only addition is the \$2.6 million I spoke of.

**Mr. Martel:** Right. Which would bring it up to 2.5 per cent maybe, give or take a little?

**Mr. Lee:** Yes, but I think as I pointed out to you last Thursday, the mining industry contributes a lot more to the economy of Ontario than taxes to the province or to the federal government—or to the municipalities for that matter—by way of capital expenditures and by way of expenditures on the operation of the mine and the processing plants that are here in Canada—fuel and electricity, processing supplies.

These amount to a very substantial amount. We did look into the matter over the weekend and we find that the total contributions to Canada, by income tax on payroll—that is, income tax from miners and so on—in 1968, was \$27 million some odd. In 1969, \$24 million some odd.

The reason it was down in 1969 was because of the strikes, but the corporation income tax in 1968 was \$34,456,000.

**Mr. Martel:** That was for all of Canada?

**Mr. Lee:** No, that is in Ontario.

**Mr. Martel:** In 1968, the figure we have from the Dominion Bureau of Statistics is about \$14.6 million for Ontario, directly in mining corporation tax.

**Mr. Lee:** Is the corporation income tax for Canada?



**Mr. Martel:** Right. It was \$34 million for all of Canada.

**Mr. Lee:** And \$21 million in 1969, again due to the strikes. The total contribution to Canada—this is for exploration and development and capital expenditures in other provinces—was \$700,345,000 in 1968, and \$680,-401,000 in 1969.

**Mr. Martel:** In what?

**Mr. Lee:** These were capital expenditures in exploration and development, exclusive of exploration and development. This is the total of all these things I have been talking about, amounting to \$700,345,502.

**Mr. D. C. MacDonald (York South):** How much of that could they write off quickly?

**Mr. Martel:** That is a secret.

**Mr. Lee:** I do not think the speed of write-off means very much, because the faster it is written off the sooner they are going to pay more taxes, so it is only to get them started that they allow these advantages.

**Mr. Martel:** Well when do they bring in the depletion allowance? Only after the write-off is completed, is it not? And that is another three-year holiday.

**Mr. Lee:** No, no, the depletion allowance takes place each year in the federal—

**Mr. Martel:** At the same time the depletion allowance is being taken off as well. They get it both ways, do they not, the depletion allowance and the depreciation allowance?

**Mr. Lee:** Well if there is any profit on mining there is a depletion allowance of one-third. This is not our law; this is the federal government's law.

**Mr. Martel:** I know.

**Mr. P. J. Yakabuski (Renfrew South):** What law is this?

**Mr. Lee:** It is the federal government's law.

**Mr. MacDonald:** Any net amount that they might take off this year and for which they may not have enough income from which to take it, they can hold over and take off next year.

**Mr. Lee:** Well you are thinking of the three-year tax exemption now, are you, Mr. MacDonald?

**Mr. MacDonald:** That, and even in the capital write-off.

**Mr. Lee:** Yes, they defer the capital write-off if they do not need it, you know, if they do not need it to come to a nil profit. That is standard in any taxing Act, but the point is that the sooner they do write that off the sooner they are going to be liable for more taxes.

**Mr. Martel:** Right. So the total in 1968, that the province—ignoring for the moment at least the capital investment, but in taxes, in tax dollars—that the province accrued from the mining industry, is in the neighbourhood of \$32 million, if you lump it all together, the whole bag.

That is from the federal, which would be our share from the federal government; that which would come from provincial tax under The Mining Tax Act; that which the municipalities would accrue—the whole bag is about \$32 or \$33 million.

**Mr. Lee:** No, it is about \$52 million, actually \$52.9 million. That is 1969 we are talking about, and that was a bad year.

**Mr. Martel:** I am talking about 1968. Our figures do not jibe then. The figures in your own book and the figures from the Dominion Bureau of Statistics do not jibe. The total amount—I do not have my Dominion Bureau of Statistics book here—which we took was \$14.6 from the federal government, our 12 per cent. This is 1968 I am talking about. The province's share in direct taxation by the province from profits under The Mining Tax Act was \$16,105,000.

**Mr. Lee:** In 1968 it was \$61 million, federal, provincial and municipal taxes—\$61.9 million.

**Mr. Martel:** Could you break that down for us then, because what we get from the Dominion Bureau of Statistics, what we get from you people, and what we have been able to ferret out from a number of economists, just do not jibe. The \$34 million was—

**Mr. Lee:** There was \$29 million in total of provincial and municipal tax, practically \$30 million. The balance is federal.

**Mr. Martel:** \$31 million federal.

**Mr. Lee:** Approximately \$30 million.

**Mr. Martel:** I have looked at the Dominion Bureau of Statistics report. All we have in the write-off in their book is we get 12 points, do

we not, we do not get the total amount? We only get equivalent to 12 points, the provincial share of the \$52 million they indicated in 68 they paid. We only get 12 points on that, do we not? We do not get the total bag. The rest goes to the federal government.

**Mr. Douglass:** That is the corporation tax?

**Mr. Martel:** Right.

**Mr. Lee:** We have given you that figure. The total is \$61 million in 1968, and our share of the provincial taxes was \$29,984,136.

**Mr. Martel:** Right. And I am saying that in the Dominion Bureau of Statistics booklet it is \$52 million paid on mining revenues, or mine profits in Ontario. The \$52-odd million I am taking off the top of my head. Only 12 points of that accrues to the province directly, which totalled in the neighbourhood, we calculated, of around \$14 million.

**Mr. Douglass:** No, the percentage is 40 to 12; so that it comes to more than—

**Mr. Lee:** It comes to actually—well actually, if you were to take that \$2.5 million off what I have here in the \$29 million, you get \$27.4 million.

**Mr. Martel:** Even if you add an extra \$18 million off an industry whose valued mineral production was \$1.34 billion, I would hazard a quick guess that our share is what—four per cent? We get four cent on that type of value of mineral production.

**Mr. Lee:** Yes, but we cannot take the percentage of the money they have spent on operating the mines. You have got to consider the thing in the light of profits, not gross receipts.

**Mr. Martel:** Profits. Ah yes, we are coming to the real crunch here, profits. After they have written off their seven different types of exemptions, all seven of them you know, including the one-third of depletion, one-third right off the top which automatically sees them starting to be taxed on two-thirds of the profits. I realize that is federal.

**Mr. Lee:** I know it is and I think if you would understand one thing, which is that natural resources were given to the provinces in the first place by The British North America Act, and one of the reasons the federal government, I am not saying it is the only reason, but one of the reasons that the federal government in its wisdom in 1917 made a provision for a depletion allowance when they set up

The Income Tax Act was to allow the provinces taxation room for a mining tax that had been in operation long before the federal income tax came into being. This was one of the reasons. It was not the only reason, I know that.

**Mr. Stokes:** Are you sure of that?

**Mr. Lee:** Yes, I am dang well sure of it.

**Mr. Stokes:** Well, was the depletion allowance not brought in to assist gold mines in 1936 and then with the plans to merger with other mines—

**Mr. Lee:** No, the depletion allowance existed in 1907. If you look back in your history you will see it.

**Mr. Martel:** But when you start talking about taxes, and you write-off one-third of the profit before you even start taxing, what kind of holiday does it give these people?

**Mr. Lee:** As I was saying, it was leaving room for the provinces to continue to collect their mining tax.

**Mr. Martel:** How does the one-third relate to the province? I am just saying that they take their profit, their book profit, and before they start taking tax they slice one-third off of the profit.

**Mr. Lee:** There was another reason given at the time, and the other reason was that it is a depleting asset and for that reason some consideration had to be given to the terrible risk that was necessary in replacing it by finding new deposits.

**Mr. Martel:** It originally came, did it not, from the oil depletion allowance allowed the United States, and eventually this was put toward mining in Canada?

**Mr. Lee:** Not to my knowledge.

**Mr. Martel:** Well, to my knowledge it is. The point I make is that by the time you calculate all seven allowances, what the hell is there left for the people who—

**Mr. Lee:** Well, if you enumerate the seven allowances—

**Mr. Martel:** Most of them are federal—I appreciate that fact. Maybe then we should be charging more than 15 per cent if you are making over \$50,000.

**Mr. Lee:** Our tax is supposed to pay for the ore as it is taken out of the ground.

**Mr. Martel:** At a rate?

**Mr. Lee:** At a rate. And the reason that we cannot charge, say, \$1 a ton or \$2 a ton for whatever ore is removed, is because it would be in contravention of The British North America Act. It would be an indirect tax. So it was decided back in 1907 to apply the tax on the basis of profits, and if a mine made a profit then it would pay a tax; if it did not, it would not. The rates that were set in those days were very low compared with what they are now. I think it was about three per cent to start with, then six per cent—there was a graded rate, but this was increased later to 6, 11 and 9. And in 1969 it was increased to 15 per cent, flat.

**Mr. Martel:** Only if you made over—what?

**Mr. Lee:** Only if you made over \$50,000. But it was, on the whole, \$50,000.

**Mr. Martel:** If you made \$48,000?

**Mr. Lee:** If you made \$48,000 you did not have to pay any tax. Nobody makes \$48,000.

**Mr. Martel:** Right, and we are coming right back to my original point—if they make a profit. The problem is there are so many bloody write-offs, by the time they finish juggling their books even economists trained in the field cannot determine what the hell their actual profits are. And we tax them based on that profit—which is so bloody superficial that it is not even funny.

**Mr. Lee:** The profit is one that is defined in The Mining Tax Act—the one that we tax them on. Granted, it is not a true book profit. It is not one the company would establish for its own purposes at all. It is often in excess, as a matter of fact, of what a company would apply for its own purposes.

**Hon. Mr. Bernier:** Mr. Lee, did the Province of Manitoba not recently raise theirs to 15 per cent?

**Mr. Lee:** They raised theirs to 15 per cent.

**Hon. Mr. Bernier:** The same as ours.

**Mr. Martel:** Their profits are more than ours.

**Mr. MacDonald:** That is what we are pleading with you to do.

**Mr. Martel:** Right across the board.

**Mr. Lee:** They did theirs right across the board, but ours operates right across the board because the mines that are affected

by the under-\$50,000 limit are the gold mines mostly.

**Mr. Martel:** How many mines did not pay tax last year—

**Mr. Lee:** Oh, boy, you have got me there.

**Mr. Martel:** —to the province?

**Mr. Lee:** The operating mines—I would say about 15 did not pay taxes.

**Mr. Martel:** The only people who can make a profit and not pay tax.

**Mr. Douglass:** A lot of them had losses too.

**Mr. Martel:** Lots of businessmen take losses. Other men do not make a profit on separate—and it is not your fault in Ontario. I am not blaming this part of my argument on the provincial government. But because of the various write-offs that the federal government has given over the years, and the way they can work out the figures, the distortions are there. They are obvious. You would agree that the day is long past due when the three-year depletion allowance should have been taken out?

**Mr. Lee:** No, I do not.

**Mr. Martel:** I have seen them flood a pit; and turn around three or four years later, drain it, and get another three-year tax exemption; another tax-free holiday.

**Mr. R. Haggerty (Welland South):** What basis would that be on?

**Mr. Lee:** The three-year tax-exemption is a different thing from the depletion.

**Mr. Martel:** I am well aware of the differential. I am just saying when you put the whole bag together.

**Mr. Lee:** You used the term twice. You said “the depletion allowance” and then you said they go and drain one pit and start another one.

**Mr. Martel:** They will reuse the same pit.

**Mr. Lee:** They use the same pit, or open up an old mine, and get a three-year tax exemption?

**Mr. MacDonald:** Or dig a hole 50 yards away and call it a new mine.

**Mr. Lee:** I think that this is true. I think the three-year exemption has been abused and I believe that a lot of the companies admit



that it has been abused. And if it continues it should be only in remote areas.

**Mr. Haggerty:** Is there no penalty clause there, if there is abuse?

**Mr. MacDonald:** No, there is no penalty.

**Mr. Lee:** No. The government was abusing it.

**Hon. Mr. Bernier:** They will change it on June 18.

**Mr. MacDonald:** Do you know that in 1963, after sufficient pressure was put on Steep Rock by a man who happened to be a candidate in the election at that point, Steep Rock admitted that they had never paid corporation taxes?

**Mr. Lee:** I would not doubt that.

**Mr. MacDonald:** In short, they had so juggled the thing, in terms of moving to new holes and calling it a new mine, that by 1963 they had not paid a single penny of corporation taxes.

**Mr. Martel:** And consequently they would not pay any provincial tax then, would they?

**Mr. Lee:** They paid very little provincial tax, but it was not on account of moving from one mine to another.

**Mr. Martel:** They did not make a profit.

**Mr. Lee:** The reason was that they certainly were not operating at a profit. Steep Rock was probably the only iron mine in Canada that had to depend on someone else to sell its ore for it. It was selling it through a company down in the United States, Cleveland Cliffs. They were the last ones that Cleveland Cliffs called upon for ore, and this only when they happened to need it. The result was for the little bit of iron ore they did sell, they did not come out with a profit on the actual operation of any of their mines, under The Mining Tax Act.

**Mr. Martel:** So it is to their advantage, federally, to hide their profits as neatly as possible, and in doing so the provincial share then, under The Mining Tax Act, goes down proportionately.

**Mr. Lee:** They do not hide any profit from me.

**Mr. Martel:** Well, they cannot.

**Mr. Lee:** There is nothing to hide, because they do not have it.

**Mr. Martel:** They do not have it?

**Mr. Lee:** No.

**Mr. Martel:** The mining companies do not have it?

**Mr. Lee:** Steep Rock—

**Mr. Martel:** I am not talking about Steep Rock, Mr. Lee, I am just talking about mining in general. The more they can keep hidden under the table, as profit, actual profit, the better off they are every inch of the way, including what they paid to the Province of Ontario.

**Mr. Lee:** They cannot hide anything under the table from tax collectors.

**Mr. Haggerty:** You just got through saying they abuse the system.

**Mr. Martel:** Thursday night for several hours I met with an economist who worked on the Carter royal commission, and he indicates that after he and a number of accountants got finished working on some of the records they could not tell what the profits were, it was so confused; and he maintains, deliberately so.

**Mr. Yakabuski:** Are they chartered or public accountants?

**Mr. Martel:** The fellow we met teaches at a university—teaches economics.

**Hon. Mr. Bernier:** Do you have a specific mine you can point out?

**Mr. Martel:** No, I am not trying to pinpoint.

**Mr. Lee:** Get his name so I can get in touch with him to find out why he was so confused.

**Mr. Martel:** His name appears in all the newspapers lately.

**Mr. MacDonald:** Your DBS figures are all available in an article that was published in the Toronto Daily Star recently. In 1968 the profits from the metal mining industry, in Canada this is, were \$497 million. The taxable income was \$93 million. They paid \$45 million of that in taxes, so their percentage tax on their profits was 9.3 per cent.

**Mr. Lee:** Unfortunately, a lot of mining companies have income that comes from other than mining and this is what would be shown there.

To go back to Steep Rock, they show a good profit figure but they obtain practically all of their profits from royalties they receive from Caland Ore, which is a subsidiary of the Inland Steel Company of Chicago. This makes it look as though Steep Rock made a lot of money out of mining and they did not. Another company paid the taxes that were involved.

The royalties, by the way, are not allowed as an expense under our Mining Tax Act. So that Caland Ore Company pays the taxes on the royalty that is paid to Steep Rock, but it is still considered as Steep Rock profit.

And you will find this all through the mining industry. They have all kinds of investment portfolios that add to their income, and this is part of the taxes they pay.

**Mr. MacDonald:** Actually, Mr. Chairman, we are going off on another point. Mr. Lee is dead correct. What mining companies are doing today is diversifying their portfolio and the profits they took out of our mineral resources are now being put into everything from cement plants to bread companies to international casinos down in the Bahamas.

They are not investing sufficient for exploration purposes and sometimes some of the top people in the mining and metallurgy industry have blasted them for, in effect, riding on past records. One day they are going to waken up and find they have not enough new mines.

**Mr. Lee:** Every other industry in Canada is diversified, not just the mines. This is just some protection in the event that ore bodies are depleted.

**Mr. Martel:** Total manufacturing in Canada in 1968 paid 40.23 per cent though in taxes, after all the deductions. The mining industry in 1969 paid 15.6 per cent on average.

The source is Corporation Financial Statistics, 1965 to 1968, the Dominion Bureau of Statistics. The corporation tax statistics, 1965 to 1968, Dominion Bureau of Statistics show the total for metal mining, mineral fields and other mining comes to 15 per cent.

**Mr. Lee:** I think I pointed out to you the other day on the telephone that the income they are talking about does not take into account the fact that there are all kinds of mining companies which had losses and which do not pay these taxes. They have taken all the figures and put them together in arriving at 14 per cent. I think I also

mentioned, if you will read it to the committee, the letter from Mr. Powis of Noranda which showed that Noranda, which is a representative company, really contributes something to the economy of Canada. It paid some 46-odd per cent of its total income in taxes. I mean this business of bunching them all does not apply.

**Mr. Martel:** It proves one point, I think, just one very basic point, that we do not get enough in return for the extraction and the exploitation of our mineral resources, either provincially or federally. It also proves that it does not create jobs. The mining industry per se does not really create jobs. They increased their mineral production in five years, and the minister announces, in next year's little booklet, it will again be another new record. But in the same period job opportunities increased by less than 3,000, despite the fact they increased the value of their production by 70 per cent. Where is the job potential?

**Hon. Mr. Bernier:** There are many factors that have a bearing on this.

**Mr. Martel:** Sure.

**Hon. Mr. Bernier:** Inflation is an example; also automation is coming in the mining industry.

**Mr. Martel:** Inflation?

**Hon. Mr. Bernier:** Certainly; the cost of dollars is going up. These dollars today represent less than a few years ago.

**Mr. Martel:** Right!

**Hon. Mr. Bernier:** If you put that all together, it has a bearing on it, there is no doubt.

And as for automation in the mining industry, I do not think you would like to see them go back to the pick and shovel days, as I said on Thursday. I am sure you would not.

**Mr. M. Makarchuk (Brantford):** That is not the point.

**Mr. Martel:** That is not the point I am making. The point I am making is that we get very little, on the total value of the production, in taxes. It does not create job opportunities. There is no money to put back into the mining municipalities, let us say, for the relocation even of those residents in the mining communities which go dead. What has this industry or the government ever done

to help relocate people, to find a job in another mining community? At 48 it is pretty hard to change jobs. What has been their contribution to our society except to take that stuff out? As I said the other day, they leave a lot of shacks behind and people with their whole equity. What have they done for society?

**Hon. Mr. Bernier:** I think you are painting a pretty black picture now.

**Mr. Martel:** I am.

**Hon. Mr. Bernier:** A trip to the north country would reveal that you are entirely wrong.

**Mr. Martel:** My friend, I have been around to these places.

**Hon. Mr. Bernier:** Believe me—now just cool it a little bit because it is not as black as you painted it.

**Mr. Stokes:** Oh that is nonsense and the minister knows it.

**Hon. Mr. Bernier:** Oh come on now!

**Mr. Stokes:** Look at Burchell Lake; look at Beardmore. Open your eyes!

**Mr. Martel:** Look at Elliot Lake; it is always on the ropes. It does not know from one year to the next if it is going to have an existence. The mining barons play a game with the lives of the people like one uses a fishing rod—you know, old Roman, as he plays with those people's lives all the time; who in the hell is he to do that?

It is about time the mining industry, or The Department of Mines and the federal government took some initiative in guaranteeing decent community life. You cannot say this is now the case. How many mining communities are there, except one or two main ones, where streets are paved, and there are sidewalks, lights and the amenities of life?

**Hon. Mr. Bernier:** You should be working for CBC with an attitude like that. They recently made a film on northern Ontario.

**Mr. Martel:** I see these people every day. I live in these communities. I see where \$200 million worth of ore can be taken out of an area and they do not have sewers and they do not have water, where they have been working for eight years on a sewer and water project which might go down the drain next week.

In the Sudbury area, which is the richest mineral area in the world, the sewers and water for 16,000 or 20,000 people will go down the drain.

What has been their contribution? Do not try to paint a rosy picture on behalf of what the mining industry has done.

**Hon. Mr. Bernier:** I am not painting a rosy picture, but do not paint it as black.

**Mr. Martel:** Go into Denison, Graham, Coniston; go into any of these municipalities. They do not have sewer services. Why not? Because we are not getting a fair return on what is coming out of the soil or the ground; because if we did, we would be like Oakville.

We would have pavement and street lighting and ball parks and what not. But we do not have them. The reason is we do not get enough return.

I do not think, Mr. Minister, coming from the north you can argue that, because he has a municipality of his own which has problems, right in his own constituency—some rather large problems—which become evident every time someone comes back to it.

We have to start getting a fair shake and we have to come up with a policy of assisting people to retrain and relocate when these companies decide it is time to pull up stakes.

What has the government done to assist? This fits in well with what the minister's colleague said at the Lakehead last night about the bums who did not want to work. What is the government going to do to assist the people to relocate?

**Hon. Mr. Bernier:** The federal government has a very extensive programme of relocating workers.

**Mr. Martel:** Only the men cannot get the money out once they move their families. I have three cases right now I am working on. One did not go to the area they suggested he go to. He left Winnipeg and came to Sudbury to work in the mines rather than go to Churchill as they suggested, and they did not pay his transportation.

**Hon. Mr. Bernier:** Several of the miners have come to Griffiths Mine at Ear Falls, who came from Nova Scotia and New Brunswick, and they have all been relocated by the federal government.

**Mr. Martel:** Oh, no, they have not all been relocated by the federal government.



**Hon. Mr. Bernier:** Oh, yes, I can think of several.

**Mr. Martel:** Well, I can take you into some places—you went to an Inco staff village?

**Hon. Mr. Bernier:** Yes.

**Mr. Martel:** How many men are there?

**Hon. Mr. Bernier:** I forget offhand.

**Mr. Martel:** Ask how many of them got relocation. Do you know how they get financed to come up here? Inco paid their way up and it comes off their cheque so much a pay day.

**Mr. Yakabuski:** Inco; your friend!

**Mr. Martel:** Do you realize that? That is how those men came. In fact they would not let them come to Toronto. They flew them straight to Sudbury because once they got to Toronto too many did not bother showing up in Sudbury.

**Mr. S. Lewis (Scarborough West):** If they leave before three or four months, they do not get the money back at all.

**Mr. Martel:** Do not tell me about relocating. They cannot get their families up here. I was in Newfoundland last summer and I read the newspapers, the advertisements put out by Canada Manpower and International Nickel Company advising those people: "Come to Sudbury; there are lots of job opportunities, opportunity for advancement, and housing. It is expensive, mind you, but there is housing".

What a hell of a lot of rot! There are 4,000 families waiting for a house. But that was the advertisement in the papers in Newfoundland. That was more of the benevolence and generosity of the mining industry, telling these people these things. So they are up there and their families are in Newfoundland.

Do you know how they are living, and before they start sending a cent home what they are out of pocket? They pay \$155 which we eventually got reduced to \$142 room and board at an Inco staff village. They have no facilities for washing clothes or anything; so they have to take it all into the city. There is no transportation provision; so if they get a cab—there is no bus service—it is \$9 one way. It is \$5 a week to get to work. They are out \$200 before they send the first cent home to their families back in Newfoundland.

Tell me, is that an industry treating people properly? Is that the way you treat them properly? You advertise in the newspaper and Canada Manpower goes along with the game and says: "Come to Sudbury, there are all kinds of job opportunities." They go up there but they cannot bring their wives with them and there is not enough left to send home anyway. What kind of nonsense is that? And you are talking about the industry doing something meaningful. Better still, this government was advised four years ago of Inco and Falconbridge's intention to expand and did not do a thing about the housing problem. They did not do a thing, and there was a housing problem even then.

**Mr. Yakabuski:** Does the union waive the dues for the first three months to give them a break?

Interjection by an hon. member.

**Mr. Yakabuski:** No, no, but does it? I mean every form of assistance should be extended to these people. I think the benevolent wealthy union should be the first people to lead the way and to waive dues—

**Mr. Martel:** Where would the hon. member put them?

**Mr. Yakabuski:** —for the first three months.

**Mr. Martel:** What would the member do, put up a tent for them to live in?

**Mr. Yakabuski:** No, no, but waive the dues for the first three months. At least this is something in the way of assistance.

**Mr. MacDonald:** That is calculated evasion.

**Mr. Yakabuski:** No, no, wait a minute.

**Mr. Martel:** What is that, \$15 every three months?

**Mr. Yakabuski:** That is a very strong point and I think the member should take it up.

**Mr. Martel:** Fifteen dollars for three months. Now that is a real strong point.

**Mr. Yakabuski:** Well \$15 is \$15. It pays three weeks getting to and from work.

**An. hon. member:** Right, which is not even part of a month's wages.

**Mr. Yakabuski:** Certainly.

**Mr. Martel:** It is threequarters of a month's wages.

**Mr. Yakabuski:** Start right there. That is a good place to start.

**Mr. Lewis:** As a matter of fact, the union would delay the collection of dues and not take it off the cheque if any working member requested it.

**Mr. Yakabuski:** Is that made known to the workers?

**Mr. Lewis:** Certainly it is made known whenever it is possible to accomplish it.

**An hon. member:** That information is readily available.

**Mr. MacDonald:** In other words, do a little research.

**Mr. Chairman:** Order gentlemen! Back to the vote.

Mr. Martel.

Interjections by hon. members.

**Mr. Martel:** Mr. Minister, what are you insisting that the mining industry do to ease this sort of thing?

**Hon. Mr. Bernier:** That is out of our realm of jurisdiction.

**Mr. Martel:** It is not.

**Hon. Mr. Bernier:** The hon. member knows just as well as I do when it comes to relocation there are certain departments which look after that. The federal government has a programme. Ontario Housing Corporation looks after that.

**Mr. Martel:** They have not looked after that.

**Hon. Mr. Bernier:** The member knows there is a number of increases in housing starts—I think it is around 2,000 this year—in Sudbury.

**Mr. Martel:** Where?

**Hon. Mr. Bernier:** In the Sudbury area alone—2,000 housing starts.

**Mr. Martel:** Housing starts?

**Mr. Lewis:** I suggest you be careful.

**Hon. Mr. Bernier:** I suggest you take this to the Ontario Housing Corporation.

**Mr. W. Hodgson:** The member does not know what is going on in his own riding.

**Mr. Martel:** You have got to be kidding.

**Mr. Makarchuk:** You are going the way of the Minister of Trade and Development with his housing starts.

**Mr. Martel:** We are not. It is a philosophy. We are talking about mining?

**Hon. Mr. Bernier:** And northern affairs!

**Mr. Martel:** Northern affairs—this is your department—and I am talking about what the industry has done to people, the way they have treated people and continue to treat people.

**Hon. Mr. Bernier:** Would you be interested to know how much Falconbridge and Inco have done in the housing field? Maybe you can find out what they have done sometime.

**Mr. Haggerty:** Inco built Thompson too.

**Mr. Martel:** I know what they are doing in the housing field in Sudbury.

**Hon. Mr. Bernier:** They are. You know they are.

**Mr. Martel:** It is virtually nil. They built a few new—

**Hon. Mr. Bernier:** Oh no. There are 500 homes built by one industry in Falconbridge alone.

**Mr. Yakabuski:** In Falconbridge?

**Mr. Martel:** Put the figures out.

**Hon. Mr. Bernier:** They are really lovely homes.

**Mr. Martel:** I want to know where the 500 homes are. I will tell you where there are 25 new homes that Falconbridge built; they built them in Garson. You show me the other 475.

**Hon. Mr. Bernier:** We looked at 50 ourselves just the other day.

**Mr. Martel:** Yes, 25 they cannot live in until—

**Mr. W. Hodgson:** He does not know what is going on in his own riding.

**Mr. Martel:** There are 25 they cannot live in until the sewage lagoon addition in Garson is completed. So do not give me the gears.

**Mr. Yakabuski:** I think you should tour the area.

**Mr. Lewis:** No, no! Where are the other 475?

**Hon. Mr. Bernier:** I will get the figures for you. I will find out the exact figures.

**Mr. Lewis:** You have all the leaders of your department here. Surely they would know.

**Hon. Mr. Bernier:** I just inquired, but this is out of their field—the housing field.

**Mr. Lewis:** They volunteered a figure.

**Mr. Martel:** There are 25 that are liveable and the other 25 cannot be sold or rented until the completion of the sewage lagoon in Carson, which I have been working on, so do not try and give me—

**Mr. W. Ferrier (Cochrane South):** Where are the other 450?

**Mr. Martel:** Show me where the other 450 are? I know that they have put a little money in a couple—

**Hon. Mr. Bernier:** Now you are starting to weaken. Before you said that they did not have anything and now you are saying—

**Mr. Martel:** I did not say anything. Do not put words in my mouth. You were the one that brought housing into the picture.

**Hon. Mr. Bernier:** No I did not. You did.

**Mr. Martel:** I brought in accommodation in respect to the men brought in from Newfoundland and I asked you what your department was doing to ensure there was accommodation.

**Mr. Lewis:** By way of a point of order, Mr. Chairman. Admitting my affection for the minister, he has already indicated in the last five minutes that an additional 2,000 homes have been built in the Sudbury area over and above last year.

**Hon. Mr. Bernier:** They are still building them.

**Mr. Lewis:** And that 500 homes have been built by—

**Hon. Mr. Bernier:** Industry!

**Mr. Lewis:** —Falconbridge. I think he should have some basis for these kind of statements before he makes them so cavalierly. That is a hard-pressed community that does not like to have that kind of setback.

**Hon. Mr. Bernier:** We will check on them and bring the exact figures back for you.

**Mr. Stokes:** You should have the exact figures before you make statements on them.

**Mr. Martel:** Well I will just tell you how many houses Ontario Housing have built. Admitted to me, 164. They should have built 1,600. They have announced 400 and 100 senior citizen units within the last three weeks. Again, because I had been pestering them since May 1970 over housing.

**Mr. Chairman:** Is vote 1301 carried? Mr. MacDonald.

**Mr. MacDonald:** Mr. Chairman, I want to try to come to grips with this in another connection and I do not intend to get into an argument with the minister's civil servants because I ultimately want to put a question to him. That is where the nub of the power and direction is as far as this government is concerned.

When the Carter commission report came out, it made the case there was absolutely no economic justification for the massive exemptions in the mining and the oil industries. There was quite an outcry. These people are very capable of doing their lobbying and their public brainwashing, and they did.

When the Benson white paper came down it was a significant watering-down of the Carter proposals, and the whole process of massive attack upon the Benson white paper continued, with this government playing a very key role. In fact one of the ironies of the situation is that the provincial governments are the most active lobbyists on behalf of the resource industries. They are arm-in-arm with the resource industries, and listening to Mr. Lee we had a magnificent example of it a few moments ago.

It was a rationalization for their case. Now at some time you have to deal with the figures that Eric Kierans is now presenting, and if I may digress for a moment I am going to be calling Eric Kierans to witness because I was rather interested in a comment made by one of the great columnists downtown when Eric Kierans resigned from the cabinet and explained why he was resigning. The comment was: "This is what the NDP has been saying for quite some time. Now that Kierans is saying the same thing perhaps we should take a look at it."

It was a very interesting reflection on his capacities; he would not examine the merits of it when we were saying it, but now that Eric Kierans is saying it, it is a different matter.



What is the essential point? Without getting into the details, because one can lose the forest in the trees, the essential point is that calculated on their book profits, the gas and oil industry is paying in total taxes six per cent; the mining industry is paying 13 per cent; the manufacturing industry is paying 63 per cent; and service industries are paying 73 per cent. In short other taxpayers, you and I as individuals as well as other portions of the corporate sector, are picking up the tax bill for the mining industry. Back in 1964 these exemptions added up to \$150 million in money that should have been coming into taxes if we had what is described as a neutral tax system. It is now up to \$300 million. And significantly, 85 per cent of that \$300 million that would be paid in taxes, would be if we had a neutral tax system, goes to eight companies, and significantly all of them are foreign companies. Kierans' contention—and this is what we have to face up to sometime soon—Kierans' contention is that this is resulting in a serious distortion of our economic development, because you have these handouts, incentives that are bribes—and that is his phraseology—for a mining or an oil company to go into added expansion, capital intensive expansion that does not provide jobs. The mining and the oil industry provide only two per cent of the jobs in this whole country.

The net result is that we have an excessive amount of our economic development in this area and we squeeze out the possibilities for development in the other areas, namely, the manufacturing industries and the service industries.

**Mr. Martel:** Where the jobs are!

**Mr. MacDonald:** Where the jobs are! In short, we have an intensive development in the areas where we have a shortage, namely, in capital; and we do not have the development in the areas where we have an abundance, namely, labour and workers.

Now the argument that is advanced—and we have it ad nauseam from spokesmen in this government down through the years—is we need this for economic development.

Kierans comes up with another argument that we really do not need it for economic development because since we have the resources the companies have to come here. What we are doing is giving this birthright away for a song—and once it is gone it is gone. It is not a renewable resource.

I want to come back to the key point and then, if I may, zero in on the minister. The

minister's predecessor went up and down this province and was as vocal a propagandist as the government had, and I hope it all was not just because there was a leadership contest coming up, in defence of the mining industry, attacking Benson and seeking the perpetuation of an inequitable tax structure, which means that one sector of our economy is paying only 13 per cent of its book profits, whereas the other major sectors are paying 63 and 73 per cent of their book profits. Does this minister follow the same line?

**Hon. Mr. Bernier:** No, I have not really had an opportunity in the short period that I have been here to go into all the aspects of the taxation policy—

**Mr. MacDonald:** Okay, let me put it another way.

**Mr. Stokes:** Except be an apologist for the industry.

**Hon. Mr. Bernier:** No, I do not intend to be.

**Mr. MacDonald:** Let me put it another way. I assumed, when your predecessor was speaking in such all-out attacks on the watered-down Benson proposals—watered down as compared to the Carter proposals for getting equity in our tax structure vis-à-vis the mining and oil industry—I assumed he was speaking on behalf of the government. We have a little difficulty knowing whether ministerial statements are really policy—after the question period today—but I assumed he was speaking on behalf of the government. Can this minister tell us whether the government position has changed?

**Hon. Mr. Bernier:** Not to my knowledge.

**Mr. MacDonald:** Not to your knowledge. In other words the thrust of this government is to perpetuate—

**Hon. Mr. Bernier:** If that was the case at that time, I have not been directed.

**Mr. MacDonald:** All right. The thrust of this government is to perpetuate the tax favouritism, which means that \$300 million is given as a tax favour, as an incentive to expand and deplete our resources, and when they are gone they are gone; and as Kierans says: "Wait for five years and we will get twice as much for them; because since we have the resources they have to come back to us"; whether it be the United States or Japan.

**Mr. H. J. Price (St. David):** Do you stop all mining? No more mining?

**Mr. MacDonald:** No, well Kierans makes another point, namely, that they will not stop, if they are going to stay in the field they are not going to stop. But they have been able to establish such a cosy relationship with governments, as far back as 1907, that they are getting away with murder.

**Mr. Price:** Well you would have no new development; you would withhold it and say we will not do anything for 10 years.

**Mr. MacDonald:** It is not a case of no new development. It is a case of saying to them as Carter said, and as Benson has watered down some, what he is going to do, I do not know when his budget comes down, except that I think one can conclude since Kierans got out of the cabinet that he has been persuaded that the Benson proposals are going to be a continuation of the tax favouritism and he chose to fight the battle outside.

But how can this government and this department—we will talk about it here and we will talk about it in the Treasury when we get back to the Treasurer—how can this government profess to be in favour of tax equity and tax reform when it tolerates the proposition that the gas and oil industry are paying six per cent of their book profits and mining 13 per cent; whereas manufacturing has to pay 63 per cent and service industry 73 per cent? How can you tolerate that and then prate about tax reform and tax equity?

There was a question mark at the end of that.

**Hon. Mr. Bernier:** Was there?

**Mr. MacDonald:** Yes.

**Hon. Mr. Bernier:** I have to repeat that I have not had the opportunity of going into all the aspects of the taxation policy or the effect; except I know the member for Thunder Bay would appreciate some assistance in the development of any ore body, say, in the Geraldton area, and he would just love some tax incentives to get a mine going at this particular time.

**Mr. MacDonald:** Would he really appreciate it when the number of jobs it provides is smaller and smaller and smaller?

**Hon. Mr. Bernier:** I think he would.

**Mr. MacDonald:** Whereas the amount of money coming into both the people on site,

in terms of their community, as the member for Sudbury East has indicated, and in terms of the Canadian people or the people of Ontario, is a mere fraction of what would come from helping other sectors of the economy, in the service industry or the manufacturing industry? Why should we be selling our birthright in terms of non-renewable resources in this kind of cavalier fashion?

**Hon. Mr. Bernier:** We have arguments on both sides you know. Here we are in the north and the member for Sudbury East pushing for development. We want development of the north and the incentives have been granted to the mining industry for this very purpose. Are we willing to take—

**Mr. Stokes:** To do what?

**Hon. Mr. Bernier:** Are we willing to take a five- or 10-year moratorium on the whole aspect of mining development; do we say stop—

**Mr. Martel:** No one is saying that at all.

**Mr. MacDonald:** The point Kierans contends, and I suspect Kierans is correct, is that if you remove this tax favouritism that have been part and parcel of the whole approach to the mining industry, there would be no fleeing from the country. Because the mining companies have got to operate on mineral resources, and we have got the mineral resources.

**Hon. Mr. Bernier:** The thing is, we are competing on a world market now. It is a known fact as iron ore becomes more and more available in Australia, and much cheaper than we can produce it, the major consumers of these products are going to those countries.

**Mr. Martel:** Mr. Minister, what do we force them to do? They take it, and we are going to come to it. I asked your staff the other day to be ready to indicate the further concessions that have been given since the last set of estimates to the mining industry to process abroad. How many new concessions have been given to the mining industry?

The point my colleague makes is that we tax them fairly. The second point in rebuttal of what you say is what we want them to do is expand, but we also want them to process and not just process in a sense of refining and smelting but turning some of these things into a finished commodity where the jobs are. According to the statistics which

we put out, this is where there are real taxes.

It is not in the mining industry, where there are not the jobs, and the real tax base is not there the way you people have it. What we are saying is if you combine it all, you get a little more in taxes, in fact quite a little more. You not only process, refine and smelt it here, you process it into a finished commodity, because that is where the job opportunities are and that is where the fair return of tax dollars is at the present time. That is how you develop Ontario. But to continue to give tax concessions to process abroad, to continue to say: "No, we will not make them develop secondary industry here"; what have you got? Two hundred and nine thousand unemployed—700,000 in Canada; taxes that you people have been continually raising—you have got three different types of rebate because you admit taxes are high, you have not been able to come to grips with the problem, so what do you do, you give another cheque back. That does not solve a damn thing, does it? In fact it just makes the picture more confused, because when you bring in major tax reform you are going to take those away from those people; and until we start to move into that field, Mr. Minister, in that sense you are never going to get out of the dilemma.

**Mr. Chairman:** Mr. MacDonald, have you finished?

**Mr. MacDonald:** Well I came to a point and I am finished, but obviously the minister is even more finished because he has not started; he says he has not had time to study it.

**Hon. Mr. Bernier:** No I have not.

As Mr. Lee has pointed out, the government has asked for modification of the depletion allowance, and of course the abolition of the three-year tax exemption except in remote areas, I think you said, Mr. Lee, is that right, in special circumstances?

**Mr. MacDonald:** That certainly was not the kind of speeches we were hearing from the former Minister of Mines when he was stampeding around the province. His whole attack on the Benson proposals was that they were still words, whereas they were a watering down of Carter's proposals, and I would judge by what you say that you are in essence accepting the substance of the Carter proposals.

**Mr. Yakabuski:** I am sure the minister cannot answer for what the former minister said last year.

**Mr. Martel:** What about the concessions? Let us get to the further concessions. How many new concessions?

**Mr. Chairman:** Mr. Stokes.

**Mr. Stokes:** I suspect, Mr. Chairman, that the minister is losing sight of the fact that we find ourselves in a highly competitive position vis-à-vis Australia, for the simple reason that we have allowed these major mining companies to make unconscionable profits, to invest money elsewhere, to hold a stick over our heads, and they are actually buying up these huge mineral resources elsewhere on the profits that originated here in Canada because of these tax holidays.

I suspect very, very strongly—in talking to an economist who knows much about the mining tax and the whole spectrum of this tax holiday—that you in concert with the federal government are bestowing on the head of the mining industry; that you people are in a dilemma of your own making because you are allowing Inco, for instance, to invest \$120 million over in New Guinea, or Indonesia, or one of those southern Asiatic countries, and the money that is going there to put the pressure on you, is money that originated right here in Canada.

**Mr. Haggerty:** Not all of it now; do not forget there is an agreement between the French government and Inco.

**Mr. Stokes:** Stop being an apologist for International Nickel. I have got the floor. You have got a smelter down at Port Colborne and I suppose maybe you—

**Mr. Haggerty:** Well let us get the facts straight.

**Mr. Stokes:** Well you get them straight on your own time, not on mine.

**Mr. Martel:** Will you take him up front with you too, Mr. Minister?

**Mr. Stokes:** Get them straight on your own time, not mine.

**Mr. Haggerty:** I can appreciate the point about Guatemala too.

**Mr. Stokes:** If you want to be an apologist for International Nickel—

**Mr. Haggerty:** I am not apologizing for Inco, just get the facts straight. There was



an agreement with the French government about that.

**Mr. Stokes:** Do it on your own time.

I want to get back—and either the minister or Mr. Lee can correct me if I am wrong:

1. The mining industry has a write-off against taxable income, exploration and preparing the mine for production. That is the first holiday.

2. They have a three-year exemption, that is entirely exempt, from all taxes—and this is where I must apologize to Mr. Lee. It started in 1936 as an exemption to the gold mining industry; and when it worked so well on behalf of the gold mining industry, the base metal mines went to the government and said: "If you are going to give it to the gold mining industry, give it to us." So without any rationalization at all they just dumped it and said: "Sure, we will give this three-year tax holiday to all mines." They do not start to pay any tax until the fourth year.

3. The depletion allowance, with a write-off, and then they can carry forward, any of it that has not been used up. So automatically you give them the right to reduce their tax on income by one-third.

4. You get a shareholder depletion allowance which will amount to either 10, 15 or 20 per cent depending on the nature of the industry and the origin of the dividends.

5. You give a 25 per cent depletion allowance to companies like Steep Rock by virtue of the fact that they do gain a major portion of their profits by way of royalties from Caland; another 25 per cent on that.

6. You give prospectors a write-off, or a holiday, because they are not subject to tax on land or property sold.

7. They get a capital cost allowance—that is they get a write-off on machinery, drifting, the cost of sinking a shaft or tunnelling. In most mines it is 20 per cent, on buildings it is 30 per cent, and on tunnelling and haulageways it is 100 per cent. Now all of these—and my colleague, the member for York South, says it is about \$300 million—

**Mr. Yakabuski:** Too late. It could have been a year ago but not now.

**Mr. MacDonald:** Well I suppose you get 13 per cent on their book profit. That is how you get that down to 13 per cent as compared with the 63 per cent in the manufacturing and 73 per cent in the servicing.

**Mr. Stokes:** How can you justify it? Let us just look at another industry that you

are pretty well aware of—you are familiar with over the years. Look at how much greater the contribution of municipalities that owe their existence because of the exploitation of the forest products industries. Look at the new towns like Red Rock, Terrace Bay, Marathon—you know what I mean, they are viable little communities because, for one thing, it is a renewable resource and those people are going to be around a while. They try to act like good corporate citizens.

But why do you not take the same attitude toward people who are exploiting our mineral wealth and say we realize that every time you take a ton of ore out of the ground you are that much closer to the day when you are going to have to reach certain decisions with regard to communities and people living in those communities that owe their existence to the mining industry and I mentioned that on Thursday. Why do you not take a certain percentage of the profits?

If you could justify your position now and say you are getting what you consider to be a fair share as a result of the mining activity in this province, why do you not siphon off a fair share of what you are getting now—two, three, four per cent—for the inevitable day when those people are going to have to come to terms with a depleted economy based on a non-renewable resource, and what have you got?

Obviously you must think, coming from the north, that you as the Minister of Mines have some responsibility toward the people who are there because we choose to allow any company, whether it be foreign owned or otherwise, to use our non-renewable resources.

This is something that belongs to the people of the Province of Ontario and the people of this country. How you can sit idly by and allow them to just exploit—it is nothing but exploitation—how you can sit idly by and allow them to take everything out and put nothing back is beyond me.

I am sure that in private conversations with you, and I am sure that in thinking it over for yourself long before you even aspired to this position, you must have had some pretty good ideas about what should be done in order to assure the people living in the north that they are going to get a much fairer share of the wealth in this province and particularly the mineral wealth. Surely the minister can volunteer some kind of programme, give us some kind of assurance that he indeed will be moving in this

direction, to assure that the thing that I have been talking about will in fact be done.

**Hon. Mr. Bernier:** I just want to make a couple of points.

I think the \$120 million—I may be wrong in this—but I do think the \$120 million that was being invested by Inco was borrowed money as of this time.

Also I want to point out the situation in Ireland today—we talk about the great incentives we provide here to the mining industry, we have a number of Canadian companies going to Ireland because of the 20 year tax exemption that they are allowing over there. So this is the kind of world competition that we have got ourselves into now, and we cannot turn our backs on this, we really cannot.

**Mr. Martel:** You do not have a stable government in Ireland.

**Mr. Stokes:** Then rather than give it away, or paying them to take it away, I think maybe we had better just leave it in the ground until the time when it will bring some return to the people of this province.

**Mr. MacDonald:** Five years from now you will maybe get twice as much for the resources.

**Hon. Mr. Bernier:** You have raised some very interesting points and certainly I appreciate your comments.

**Mr. MacDonald:** As a matter of fact I would be very much surprised if Inco was doing it on borrowed money. When Inco invested \$180 million — and interestingly enough it was Kierans who pointed this out when he was head of the Montreal Stock Exchange—when they invested the \$180 million for the development in Thompson in northern Manitoba, they had at that point about \$250 million in the sock because of the depreciation and other tax favouritism that they had enjoyed in the post-war period from 1945 on.

So this red-blooded, hairy-chested, free-enterprising company that was going to develop, you know, because it was taking such a risk, had \$250 million in the sock which they had because of tax favouritism, that another company would not have, that other manufacturing companies would not have had, or other corporations would not have had.

**Mr. Chairman:** Mr. Yakabuski.

**Mr. Yakabuski:** Mr. Chairman, I was interested in several points raised. One, the minister mentioned the severe competition that certain mines or mining companies are facing from abroad, from other countries—he mentioned Australia several times. I think he mentioned iron ore, uranium, and so on. Do you have evidence that the companies which are opening up these properties in Australia, for instance, are using profits that they derive from the mining industry in Ontario or Canada to open up these properties in other countries to compete against themselves?

**Hon. Mr. Bernier:** No, we have no evidence of that at all.

**Mr. Yakabuski:** I was more or less left with that impression.

**Mr. MacDonald:** Ask Bob Macaulay. He has been engaged in helping to get them developed.

**Hon. Mr. Bernier:** It is not that at all.

**Mr. Yakabuski:** Well, you know, I am—

**Hon. Mr. Bernier:** The \$120 million that I know of, Inco has borrowed for development in New Guinea or somewhere in that area.

**Mr. Yakabuski:** You did mention the severe competition from the other countries in the same ore or minerals and you have no knowledge of their using Canadian or Ontario profits to open up properties in other countries—

**Hon. Mr. Bernier:** No, we have no evidence of that at all.

**Mr. Yakabuski:** That is the impression I had, perhaps to improve their taxation or other picture here. The other point was the member for York South had a very interesting statement. He quoted some very interesting figures; although you know many of us, a lot of people, including the people who enjoy some high places in the Dominion Bureau of Statistics, often doubt the figures of the Dominion Bureau of Statistics itself. You know you do not put absolute faith in them and you know these figures are not infallible. But anyway, they were quite interesting and they are figures that I think all of us should be concerned with in the matter he raised, but—

**Mr. MacDonald:** Which ones?

**Mr. Yakabuski:** The percentage of—

**Mr. MacDonald:** Big profits?

**Mr. Yakabuski:** Yes, from the oil and the mining and manufacturing and that.

**Mr. Stokes:** You found that interesting too?

**Mr. Yakabuski:** Sure, there is no question about it. On the other hand, the people in his group—the NDP—would they emphatically state at this point that they would favour no new development in the north or anywhere if there is tax incentive?

**Mr. MacDonald:** That is a red herring.

**Mr. Yakabuski:** No, but would you propose that? No new development if it means tax incentive?

**Mr. MacDonald:** No.

**Mr. Yakabuski:** You would say that if development can be accomplished, then we should give them, or the government of the day should give them, tax incentive?

**Mr. Stokes:** Ask the minister that. Ask the minister because—

**Mr. Yakabuski:** No—because the member for York South made the statement.

**Mr. MacDonald:** Mr. Chairman, I will quote in this instance Kierans, who has been a man in the business world and head of the Montreal Stock Exchange. He made the same statements when he was there; that these are unnecessary handouts, that because we have got the basic resource the companies have got to come here to develop.

Now I concede the element of competition, but the longer you leave it in the ground the more valuable it is going to be. We are selling our birthright for a song. Five years from now we can get twice as much for that song if we just hang on.

**Mr. Yakabuski:** Do you feel we should take that gamble and hang on? Perhaps throw people out of work, retard or restrict new developments?

**Mr. MacDonald:** Did you not hear the figure that my colleague, Mr. Martel, brought in? That you have had a 70 per cent increase in the total production and it has produced an increase in jobs from 49,000 to only 52,000?

**Mr. Yakabuski:** You know he, like yourself, never tells all the story.

**Mr. MacDonald:** What I am saying is that a 70 per cent increase produced only—

**Mr. Yakabuski:** With the new equipment and the new machinery, I think we are all

aware that you do not need the man hours to produce the same amount. I think we have to take that into consideration.

**Mr. MacDonald:** Therefore, maybe you should have tax laws that will direct the economic development into areas that will produce jobs instead of being a sucker in terms of tax incentives that will direct the development into areas that do not produce jobs.

**Mr. Yakabuski:** Would you agree that suddenly, some day, after the market closes at 5 o'clock or something, the government make a dramatic announcement that tax incentives are cut off for new developments in the mining or that type of operation?

**Mr. MacDonald:** Put them on exactly the same basis as other corporations.

**Mr. Stokes:** What new development is he talking about? Obviously there is a new development, so obviously he wants an answer. I would say to you, what new development are you talking about? Are you talking about development as a result of ore bodies that Inco has been sitting on for 35 years at Shebandowan? That Anaconda has been sitting on for the last 15 years at Nakina? That Canfer has been sitting on for the last ten or 15 years? Is this the kind of development that you are talking about?

**Mr. W. Newman (Ontario South):** Mr. Chairman, on a point of order. I think we are a little bit out of order here.

**Mr. Chairman:** Just slightly out of order. Mr. Yakabuski, have you any further questions to raise?

**Mr. Yakabuski:** Well, if they are all out of order—perhaps we should be carrying—

**Mr. Chairman:** This is a broad-ranging discussion between the members of the committee.

**Mr. Yakabuski:** Would you suggest we carry on out in the corridor later?

**Mr. Chairman:** Probably. Mr. Hodgson.

**Mr. C. T. Rollins (Hastings):** I think that is a very interesting question that the hon. member just asked. He wants to know if the NDP is suggesting they are going to bring in some severe taxation on mining which might result—

**Mr. Lewis:** Suppose a single Tory demonstrates to this committee where a mine



would not be opened or investment would not be extended if we put them on the same footing as any other corporation? Have you the slightest jot of evidence? Not at all. It is in the mentality of the Tory government to give handouts to mining corporations—

**An hon. member:** I think this hon. member brought up an interesting point.

**Mr. Chairman:** Have the minister or Mr. Douglass or Mr. Lee any comments to make in respect to the statements made by, or questions asked by Mr. Yakabuski?

**Hon. Mr. Bernier:** They are pretty rambling discussions, Mr. Chairman.

Interjections by hon. members.

**Hon. Mr. Bernier:** Pretty rambling comments, Mr. Chairman.

**Mr. Chairman:** Yes, I agree.

**Mr. W. Newman:** Mr. Chairman, I would like to ask the Minister of Mines if somebody in his department is following through on this very discussion. Looking at the financial statements of the various companies, mining and other corporations in the Province of Ontario, to see how many of them would be out of business without some incentive programme. A great number!

**Mr. Lewis:** Let us take a look at some of the profits then; look at them! Get out the profits of Inco, Falconbridge, Rio Algom—

**Mr. W. Newman:** You are talking of five out of hundreds and hundreds and hundreds. Now come on!

Interjections by hon. members.

**Mr. Lewis:** Those to whom you have granted exemption.

Interjections by hon. members.

**Mr. Chairman:** Order gentlemen! Mr. Hodgson has the floor.

**Mr. Lewis:** That tax concession went to eight companies.

Interjections by hon. members.

**Mr. Martel:** On a point of order, there are not hundreds and hundreds and hundreds of mining companies, first of all, in Ontario. I think the member should check out a book and find out how many there are.

**Mr. Chairman:** Mr. Hodgson.

Interjections by hon. members.

**Mr. Chairman:** Order gentlemen! Mr. Hodgson has the floor.

**Mr. R. G. Hodgson:** We have heard about exemptions and depletion allowances and all these things; is there any company in Ontario, to your knowledge, which has not expended as much as they have received in depletion allowances and exemptions on exploration?

**Mr. Lee:** I would say they have spent more.

**Hon. Mr. Bernier:** They have always spent more, he says.

**Mr. R. G. Hodgson:** That is one point. The other point I wanted—

**Mr. MacDonald:** I am sorry. Let me just intervene. I would like to have the figures, because quite frankly I do not believe that.

**Mr. R. G. Hodgson:** That is important.

**Mr. MacDonald:** The vice-president of the Mining and Metallurgical Association, about four years ago at a conference in Ottawa, delivered a real blast to his own colleagues in which he said there was so little exploration going on in this province they were going to wake up some day and find out that they had depleted the mines that were in operation. It was precisely this kind of a situation that led to the Liberal government in Quebec moving into the whole Soquem development — public sponsored exploration to compensate for what the mining companies were not doing. They were taking their profits out and putting them into cement companies and bread companies and international casinos down in the Bahamas.

**An hon. member:** Well, Mr. Chairman—

**Mr. Chairman:** Just a moment now; we are going to let Mr. Hodgson continue.

**Mr. Makarchuk:** Mr. Chairman, on the same point; would not the minister have some figures available as to the amounts spent on exploration in the province? Surely this is rather pertinent information and he should know how much is—

**Mr. Lewis:** I think Texas Gulf is a good example.

**Hon. Mr. Bernier:** Mr. Lee, do we have any figures on the amount of exploration dollars spent by the various companies?

**Mr. Lee:** Yes. In 1968, \$158.5 million. In 1969, \$155.5 million.

**Mr. R. G. Hodgson:** What were the exemptions, the total exemptions?

**Mr. Douglass:** These exemptions you are talking about are all federal.

**Mr. MacDonald:** Yes, but we are supporting them. This government is supporting them.

**Mr. Douglass:** No, that is not correct. The minister just mentioned modifying them.

**Mr. MacDonald:** The former minister was the last one who spoke up on this issue.

**Mr. Douglass:** The minister just indicated that he agreed to recommend that we wipe out the three-year exemption and modify the depletion allowance.

Interjections by hon. members.

**Mr. MacDonald:** Your silence on the issue has been very interesting. If you really want Benson to come in with that change, I think you had better speak up.

**Mr. Chairman:** Mr. Hodgson.

**Mr. R. G. Hodgson:** Mr. Chairman, has this minister or this department within the last year been in touch with the federal government regarding The Gold Mining Assistance Act and its continuance?

**Hon. Mr. Bernier:** Yes we have. This is regarding the EGMA?

**Mr. Douglass:** Incidentally there is only one mine in Ontario which could operate without it. We are down now from 114 gold mines—it is Canada I am speaking of now—to 26. We are going to lose seven this year. We will be down to 19 this year, in spite of EGMA help.

**Mr. R. G. Hodgson:** Could I ask you this? Have you asked for EGMA to be increased where it is necessary?

**Mr. Douglass:** No, but we continually ask them to keep it up. Every time we have a mine ministers' conference, this is one of our briefs to the federal government.

**Mr. R. G. Hodgson:** The other question I would like to ask is in the same sort of vein. Has this department, at any time in the past year, stated that it is in favour of raising the price of gold?

**Mr. Douglass:** We have always been in favour of that, but it does not seem to be of much help. It is an international matter—

**Mr. R. G. Hodgson:** I realize this, that there are international influences that affect our mining industry, and I think they are pretty pertinent. What do you people do about it?

**Hon. Mr. Bernier:** I understand that if the price of gold was increased, it would have to be pretty near double to have an effect on the gold mining industry because of the EGMA assistance that is now being extended. Because of the international monetary system the decision had to be made at that level—

**Mr. R. G. Hodgson:** Can I ask you another question? In regard to total gold production in the world, what position does Ontario have, or what rank does it have?

**Mr. Douglass:** It is not very much. We are down to about roughly \$55 million a year compared to the billion and a half—we are pretty small.

**Mr. R. G. Hodgson:** What are we in percentage to other countries of the world?

**Mr. Douglass:** It is a very small percentage, I think.

**Mr. R. G. Hodgson:** In other words, if the value of gold was put up, we might not gain very much out of it.

**Mr. Douglass:** Ontario's percentage in the free world gold production is 3.03 per cent. Canada's is 6.5 per cent. South Africa, which is the big one today, is 75 per cent.

**Mr. R. G. Hodgson:** So, if we raised the price of gold it would really only affect one country.

**Mr. Lewis:** Yes, and none of it would go to the workers of that country, it might be said.

**Mr. R. G. Hodgson:** I guess this all part of the consideration.

**Mr. Chairman:** Has the member for Victoria-Haliburton finished?

**Mr. R. G. Hodgson:** Yes.

**Mr. Chairman:** Mr. Ferrier.

**Mr. Ferrier:** I have a couple of points I want to deal with. Further along the idea of the tax incentives and concessions for the mining industry, I think it has been pointed

out by Carter and it has been pointed out here today by my colleague from York South that the mining industry has had concessions above and beyond those allowed anybody else in our economy.

Living in a mining community, one sees the lack of return to the community from the industry that the community is dependent upon for support. And one sees the lack of services and the inability to provide some of the basic things that communities depending upon other industries are able to provide. One sees an industry such as the Hollinger gold mine that made its fortune out of the Timmins area—when it came to wind up its operations, rather than give its houses at a very nominal rate to the employees, they had to sell them for a certain amount even though some of the employees had lived in them for 30 or 40 years. And they had to exact a fairly high price for the waterworks when they sold it to Timmins. There is no largess from that mining company at all. We have also seen it in terms of the way Noranda has dealt with the community. In some instances, Texas Gulf is more socially conscious and has provided some things to the community.

The impression seemed to be left that if these tax incentives and concessions were taken away, all development would stop and there would be no mining development. Knowing the people in my particular area, they seem to be eternal optimists—they are out in the field doing a lot of prospecting and so on; companies are doing some of these things as well—I would think that a commitment would have to be made in taking away these concessions, that if a company decided it was going to blackmail the public, then I think this is the place in Ontario where an institution similar to Soquem should move in, encourage development and help move into production solely as a Crown corporation or in conjunction with private capital. With this kind of an institution, where the province was very much involved with the whole mining industry, the big stick that the companies would try to wield would be one that could very well be set aside. If they do not want to move into this field, then let the public do it. I would think the returns for the public would be very much more substantial than any pittance we are getting in terms of taxes from these industries now.

I think one of the major things that has appealed to mining interests all over the world is the fact that Canada has been a stable country, and I am not so sure that all the concessions have been the overriding

factor that has been responsible for the mining development here.

Another point that I want to mention briefly comes out of a resolution that was drafted at one of the council meetings at the town of Timmins; it was proposed by councillor Collins, and seconded by councillor Kelly. It has to do with a builtup area like Timmins, which sits, I suppose, in the heart of many potential mining developments. In order to service these mining developments, one has to have a picture of the kind of growth or recession that is likely to come.

For a long time there has been a good deal of prospecting down in Langmuir township, south of Timmins, and at the present time there is a development under way by Noranda in conjunction with International Nickel and there are other exploration programmes going on. Of course, the rumours in a mining community, as I say, are eternally optimistic; they think there is a development coming here or there before long. Of course, we hope they do. But surely there must be some responsibility on the part of the mining companies some place along the line—if they are going to go into production or if they have an ore body that is economic and can be produced—that they have to sit down with the municipal officials and give them some kind of projection as to the type of work force that they are going to have, how long this is going to take before it reaches full capacity and so on. If you do not do this, you have a municipality almost floundering in terms of meeting the extra kinds of services such as schools, sewage, housing, hospital facilities or what have you.

I suppose one might say it was fortuitous that Texas Gulf was discovered when it was and Hollinger was closing down at practically the same time and there was not as great a demand as there otherwise might have been. But in terms of what might be done in Langmuir township and other places around Timmins—and we see it in Sudbury now—where there is a terrific demand for housing what kind of an approach do you take to this resolution that was sent to you about having some co-operation in consultation and discussion between the municipalities and the mines that are going into production? Surely it is only fair that this kind of thing be demanded and that some order can be given to a municipality to plan its budget and its programmes a little bit in advance rather than have it just dumped on them and they have to work in an emergency situation.



**Hon. Mr. Bernier:** If I can answer the hon. member for Cochrane South, Mr. Chairman, do I take it as point number one that basically he is against incentives and would like to see them removed from the mining industry? Is this what he is saying?

**Mr. Ferrier:** I would basically like to see the mining industry taxed at a fair rate and the province getting from the mining industry a fair share rather than allowing the mines to have such terrific exemptions as they have now. I just do not think it is fair.

**Hon. Mr. Bernier:** You think we are helping them too much?

**Mr. Ferrier:** I think they are not paying their way.

**Mr. Stokes:** Once they get started, yes.

**Hon. Mr. Bernier:** What I am driving at is that if I take this as your attitude, then the pressure you have been putting on me to assist Texmont mines in their road construction should be removed then. You cannot have your cake and eat it too.

**Mr. Ferrier:** Not necessarily.

**Hon. Mr. Bernier:** You are working both sides. You come to me and you want me to help an industry. Now you come here and say we should not be helping an industry; so I do not know what to do.

**Mr. Ferrier:** I think there is a difference between the development stage and when one goes into production. In the matter of roads I think this is an altogether different story.

**Hon. Mr. Bernier:** This is a form of incentive, of course. It is an assistance we give.

**Mr. Stokes:** That is right; help them get started, but once they get started take a bigger share of the profits.

**Mr. Ferrier:** Help them to get started.

They have had to pay \$10,000 a month all throughout the winter period to keep that Texmont mine road open, and some lumbering people were using the road, one or two firms, and when they found Texmont were going to keep it open they just sat back and let Texmont do it. The road into that property is in such terrible shape; there have been a number of accidents, as you probably know. People going in there say that it is hard to keep a work force because the road is in such terrible shape and it ruins their cars.

**Hon. Mr. Bernier:** I just want to get clarification on that particular point because this is something—

**Mr. Ferrier:** But I think in terms of—

**Mr. Stokes:** If it is a multiple-use road it is a government responsibility.

**Mr. Ferrier:** —Roads to Resources make this a different matter. A marginal company coming into production, I do not think should be taxed.

**Hon. Mr. Bernier:** These are all the ifs and the buts that come into the situation.

**Mr. Ferrier:** But once they get into operation and are beginning to show a profit, once they get to that stage then I think that the state has every right to exact a fair tax from them.

**Hon. Mr. Bernier:** Your reference to Soquem—I really cannot agree with the member on that, because I think if you look at what has happened in Quebec with regard to that Crown corporation you know that it has yet to produce something. It has not yet proven itself. I encourage the hon. member to go in and look into it very, very closely.

I do not think you can be playing a game and making the rules at the same time. I do not agree with that philosophy. I think this is a good example. If you would examine what is going on there I do not think you would make reference to it, because it has not proven yet. Maybe it will in the future, but up to this point it has not.

**Mr. Ferrier:** I would not say that you have to have a carbon copy, but I think that the principle is valid.

**Hon. Mr. Bernier:** With regard to planning of communities, I think we discussed this idea with the member for Thunder Bay last Thursday. Certainly my brief experience in the government has been that the mining companies—and I refer to the Selco operation at South Bay, and Mattabi mines—have been in constant touch with The Department of Municipal Affairs with regard to planning of the various community needs in that particular area. They have been very much engaged with it, and certainly International Nickel at Shebandowan, have been actively engaging in it. In fact, Mattabi Mines, I think it is for something like two years, have been involved with planning. I am disappointed to hear that this is not the case in the Timmins area where the company is—

**Mr. Ferrier:** I do not know altogether what was behind it, but their resolution was:

Now therefore be it resolved that the provincial government enact legislation so that mining companies intending to employ in excess of 100 persons in connection with the development of mining lands be required to inform or consult with municipal officials to facilitate the preparation of plans in order to accommodate any sudden growth resulting from such proposed development.

Now I think—

**Hon. Mr. Bernier:** Does the hon. member know of any specific case where this has happened? Where a mining company has failed to do this? I have only had contact with three.

**Mr. Martel:** I think the government—

**Hon. Mr. Bernier:** I do not think so.

**Mr. Ferrier:** I was not there when this was drafted and I had no part in it, but I do not think that they are going to grasp at something out of the sky. I think that they are a realistic and responsible group of men. Many of them have had years and years in office and know the mining industry and the relationship of the municipalities to it in a large degree.

I suppose one of the problems with this whole development in Langmuir township is that for two or three years or longer there was all kinds of prospecting and exploration work going down there and absolutely nothing could be gleaned from any of the companies as to whether there was going to be a viable ore body or not. There was a great deal of uncertainty amongst the municipal officials and even yet I do not think that the extent of what is going to happen down there is probably known.

For instance, going home on the weekend I talked to one of the train men and the rumour going around now is that there is a find in Hoyle township which is even larger than the Texas Gulf find.

I cannot point to specific things, but I do not think these people, knowing them as responsible legislators at the municipal level, are just asking for legislation with no basis in fact. I think that there are specific things—

**Hon. Mr. Bernier:** My immediate reaction is that I really do not think that legislation is required to force the mining companies to confer with the municipalities or the govern-

ment. In my experience they have been pretty responsible citizens and good corporate citizens. To have had a situation like this develop comes as a surprise.

**Mr. Ferrier:** I think you will be hearing from the town council. They have already sent the minister this resolution.

**Hon. Mr. Bernier:** Yes, I think I have had it.

**Mr. Ferrier:** And you have probably responded, or will shortly. But in bringing this up here I just wanted to lend weight to what they were trying to do. They will no doubt speak for themselves when they have their appointment to see the minister and discuss it.

I just want them to know and the minister to know that I am supporting them in what they are trying to get across here. If legislation is required, fine; and if moral persuasion will do the job, fine; but I think the co-operation they are asking for should be forthcoming.

**Hon. Mr. Bernier:** I think the mining industry is fast pulling away from mining communities themselves. Even the pulp and paper companies are getting away from one-industry communities. They want government involvement, and certainly they want the assistance of the planning branch of The Department of Municipal Affairs. Certainly I will follow this up.

**Mr. Chairman:** Vote 1301 carried?

**Mr. Farquhar:**

**Mr. S. Farquhar (Algoma-Manitoulin):** I would like to ask the minister if, over the weekend when he flew over the north, he has any better appreciation of what his responsibilities as Minister of Northern Affairs might be?

**Mr. W. Newman:** That is an embarrassing question!

**Hon. Mr. Bernier:** Northern Affairs? I think we went into that in some detail on Thursday.

**Mr. Farquhar:** But we can go into Northern Affairs a little later, can we not? Can we stay with this?

**Mr. Chairman:** Yes, his department.

**Mr. Farquhar:** So many things have been mentioned here. It is pleasant to be able to get a chance to get in. I must say that in the area the minister has mentioned—and I



think, not to prolong that discussion, but I do want to direct a little information that the committee can chew on. I make no apologies; in the general area of incentives recently, the last stock piling programme—\$29.5 million—that I had something to do with generating, a portion of which goes to the owner of the mines certainly, but the effort was entered into on behalf of 900 miners, not on behalf of the industry, and I make no apologies for that effort and it was successful.

But you know, we are so in danger, in a committee like this, of over-simplifying things and providing ready answers to everything. We just get that 14-year long-term contract for the production of uranium when Australia comes through with uranium at a 57 times higher aggregate content percentage than our own Canadian uranium. Right now—or even tomorrow—Australia could, if they acted in an irresponsible way, flood the uranium market and we in this country are finished with uranium.

As you know efforts are being made to set up negotiations that would forestall any such emergency, but we are so much in danger of over-simplifying the problem and providing an answer that is today's answer only, not tomorrow's answer at all.

The other thing that concerns me very much is the fact that the minister, I think, has been told what his responsibilities are. I think he has by this time got a pretty good assessment of what his authority is—which are traditionally two different things altogether. in The Department of Mines. As we said before, this was a service department, and as far as I am concerned, does little beyond convening a few meetings of CIMM and hosting the owners of mines and making representation to this and that.

In terms of actually changing tax legislation, who is going to do it? Not this department, neither federal nor provincial. It is going to be done by The Department of Revenue and The Department of Municipal Affairs and the Treasury; it is not going to be done by this department. This department might, if anybody listens to them, make recommendations. I do not know if anybody listens or not. I am sure I do not know.

The kind of things we talk about here today—for instance, housing in Sudbury—this minister has no control over at all. He has no control over The Department of Manpower and the moving of people. Most of us

are involved with The Department of Manpower and know some of the details with respect to moving people.

And we know—or at least I do, and I suppose I am speaking for every member—if a man and his family expect to move anywhere, he has got to have a bona fide guarantee of so much employment and a bona fide guarantee that he has got a place to live when he gets there, which is a fairly reasonable programme.

We can shoot at it all we like, but that programme was not set up to just move people back and forth across Canada on holidays, and it has been abused in that regard. I know it has been abused, and most members should, too, if they have been involved in it.

It is quite a thing to make a case for, so there are limitations on that programme, too. But in any case, this department has not anything to do with it, as I see it. As well as that they share mine safety with The Department of Labour. They have nothing to do with pollution in the mine. That is OWRC. So where are you left?

As far as I am concerned, you are left with the responsibility to do what you can; you do have some licensing authority, you do have some responsibility in the area of geological surveys. You do have some responsibility, since you provide licensing—you do, or you should have, some responsibility to control the processing.

And I think I go with the member for Sudbury East, that that is the one area that you as a department can do something about; and I agree with him that you are not doing it.

But if there is any other responsibility, it certainly is not reflected in these estimates that I can see. I just wonder if we could not have the minister, at this point in time, delineate exactly what he feels his responsibility is as the Minister of Mines.

Certainly I do not see that beyond, maybe, some recommendations he and the department can have any effect on ordinary, general overall tax policy or assessment policy, or collection procedures. I do not, in fact, even know whether the department has auditing machinery that goes into a mine and tries to establish exactly what taxable profit that mine has. I do not know that. That is the kind of thing I would like to know; just where you see your authority as the Minister of Mines.



**Hon. Mr. Bernier:** I think in the initial part of our discussion we are still on the first item of the first vote. The discussion has been very, very broad as I have said on a number of occasions, and it has affected areas in which I have no control or no jurisdiction at all.

Basically, I mean, you have the control within the votes. There is nothing better to allocate your area of jurisdiction than where the money is spent. This is about as simple, as plain, as you can get it. Beyond that, certainly the taxation problems will be discussed by the provincial Treasurer and the Ministers of Municipal Affairs, and Revenue, but that is at that level and within those specific departments. Housing, within Ontario Housing Corporation, which I stated, and a number of other areas that were discussed were completely removed.

But, as you correctly point out, certain licensing, the safety within the mining we only have—is it four Acts that we administer?

**Mr. Douglass:** The Mining Act, The Mining Tax Act, The Niagara Escarpment Act, The Oil and Petroleum Act—

**Hon. Mr. Bernier:** The Energy Act and The Oil and Petroleum Act.

**Mr. Lee:** And The Beach Protection Act.

**Hon. Mr. Bernier:** And The Beach Protection Act. So basically there are about five or six Acts. Those are the Acts within our department which we—

**Mr. Farquhar:** We are getting down to the area that I wanted to discuss. You really have not any authority in the areas that we are trying to give you responsibility for. You just do not have the authority.

**Hon. Mr. Bernier:** No, no. I think this was pointed out on Thursday, where they thought the Northern Affairs minister was responsible for all the departments and all the policies of northern Ontario.

**Mr. Farquhar:** I want to deal with Northern Affairs, but I think we are not at that point yet. I somehow or other have the feeling—and you can correct me if I am wrong—that beyond the responsibility for mine safety, which you share, you have no responsibility or authority in mine pollution, as I see it, beyond maybe a recommending procedure. I do not think you are in—

**Hon. Mr. Bernier:** We are concerned with SO<sub>2</sub> and dust control, and this type of thing; within the mine itself.

**Mr. Farquhar:** Well right. But in the area of tax reform, as I have said, overall or major tax reform, you know—unless you make recommendations and anybody listens to them, I think we are wasting our breath.

However, it would be pleasant if we could get into the area in which I think you do have responsibility, and mind you, I am not saying that you should not take on some of this responsibility that has been mentioned here today. I think maybe you should, but traditionally you have not.

**Mr. Chairman:** Vote 1301 carried?

**Mr. Makarchuk:** Mr. Chairman, on the same point, each department develops a certain personality or a certain aim, and of course it is reflected from the minister or comes from the minister who directs the thing. Could the minister in this case give his personal opinions regarding the taxation policies on the mines? Is he in favour of the current taxation policy or does he feel that there should be changes made?

**Hon. Mr. Bernier:** I am not prepared to make any formal statement as to where we should be going. This is a pretty complex situation, as has been pointed out by other speakers here. It is a very complex situation to make a generalization about, and just, in a few sentences, clear up all the ills of the mining industry with regard to taxation just cannot be done.

**Mr. Makarchuk:** We are not asking you to give us the—

**Hon. Mr. Bernier:** No.

**Mr. Makarchuk:**—ultimate or the instant answer, but perhaps you could give us some indication of which way you want the mining department to move, or which way you want it to go.

**Hon. Mr. Bernier:** I think we have made some indications of what we are asking for and what we have suggested in the taxation view, but here again I am out of my field of jurisdiction. This is completely—

**Mr. Makarchuk:** Surely you must have some personal views on the matter?

**Hon. Mr. Bernier:** Oh, I have some personal views, except I do not think that I should be expected to express them here.

**Mr. Makarchuk:** Have you made recommendations to the other departments of government?

**Hon. Mr. Bernier:** No. We will be bringing them to the attention of our colleagues, certainly.

**Mr. Makarchuk:** Could you give us an indication of what these representations will be?

**Hon. Mr. Bernier:** We will be discussing them in further detail with our own department and the feelings that will come out. We have already mentioned a couple of items—

**Mr. Martel:** You are the biggest cabinet minister there—you should be able to.

**Hon. Mr. Bernier:** No, the Minister without Portfolio (Mr. Snow) has got me shaking.

**Mr. Makarchuk:** You have not really told us anything. You just have no indication of what the department is all about.

**Hon. Mr. Bernier:** As we go through this—

**Mr. Makarchuk:** Admittedly, you have an excuse that you only inherited this thing in the last two or three months, but surely—

**Hon. Mr. Bernier:** I think you are being very unreasonable, very unfair—

**Mr. Makarchuk:** —you have some idea of where you want your department to go.

**Hon. Mr. Bernier:** —because the items that we have jurisdiction over are in the votes. Surely, if we go through the votes—and they are well listed—these are the areas I have jurisdiction in.

**Mr. Makarchuk:** We are looking at it in general terms.

**Hon. Mr. Bernier:** You are trying to pull me off into some field in which I have no control.

**Mr. Martel:** Would you tell your Tory newspapers that then in northern Ontario, because they expect great things from you.

**Hon. Mr. Bernier:** Do they?

**Mr. Martel:** This shining knight is going to help the government.

Interjections by hon. members.

**Mr. Chairman:** Order, gentlemen! Let us get back to vote 1301. We have had a wide-ranging discussion; let us get back to the vote.

**Mr. Makarchuk:** Seeing that the member for Renfrew South is so concerned about the man from Brantford, are you of the opinion

that mining companies should be taxed the same way as the member for Renfrew South is being taxed on his hardware business? Do you think that this is a valid suggestion then?

**Hon. Mr. Bernier:** I will reserve my comments.

**Mr. Yakabuski:** We never got a clear-cut answer from your group—the NDP—this afternoon on whether you are in favour of the removal of tax incentives on new development in the north.

Interjections by hon. members.

**Mr. Martel:** Is he in order?

Interjections by hon. members.

**Mr. Stokes:** We favour tax incentives.

**Mr. Chairman:** Order, gentlemen!

**Mr. Makarchuk:** Do you want to talk about both sides, or just one?

**Mr. Chairman:** Order!

**Mr. Makarchuk:** Mr. Chairman, it seems what we have in the department is that we have inherited the worst of both possible worlds. On the one hand, we hand out the incentives, or these tax exemptions, to those who basically do not need them. I understand that eight companies hold something like 85 per cent of the tax incentives. The assumption is that there are a lot of little companies and a lot of little prospectors running around the bush up north and they are the ones who are getting the assistance. This is not the case. The Carter report brought this out in great detail, and this is what we are concerned about.

We are not asking that these companies should be paying more than the other companies are paying. But we are asking that they should be contributing on the same basis, or on the proportional basis that other businesses in this country are contributing. I think this is only fair. I think it is rather sad that the minister and his department did not have any particular views on this matter, and also the fact that the Tory members cannot really see the problem in this case. Other groups have to bear the brunt. Some of them have to bear the burden; because the mining companies are not paying their share they have to pay a greater share—

**Mr. Chairman:** I think, Mr. Makarchuk, the minister has pointed out, as have others here, that the taxation policies are not established

by this particular department, as far as the mines are concerned.

**Mr. Makarchuk:** We were just asking for his opinions.

**Mr. Chairman:** We are into a wide-ranging discussion, but I do not think the taxation policy should be discussed as part of this particular estimate. They form no part of vote 1301.

**Mr. Stokes:** You collect taxes. Do you not collect any taxes on behalf of this government?

**Mr. Lewis:** Mr. Chairman, before we rule the tax out, since the minister has been involved and the civil servants have been involved, perhaps partly to lay it to rest, can someone explain from the minister's department in a little more detail where the \$61 million or \$62 million of taxes in 1968 came from?

**Mr. Lee:** Most of it came from the mines, paying federal and provincial corporation taxes.

**Mr. Lewis:** Where do you get your figures from? I would like to have the sources.

**Mr. Lee:** That is from our annual report.

**Mr. Lewis:** Your annual report. If your annual report discusses taxation and gives the figure, then we are certainly right to discuss it here.

**Mr. Lee:** There it is. I mean, everybody gets the annual report.

**Mr. Lewis:** What are you reading from exactly?

**Mr. Lee:** The 1968—

**Mr. Lewis:** Annual statistical report of mineral production of Ontario.

**Mr. Lee:** Yes. Page 21.

**Mr. Farquhar:** You are right to discuss it in terms of the reports that they make. We are not getting anywhere in discussing it in terms of policy.

**Mr. Ferrier:** What is this Mining Tax Act then? I thought you had jurisdiction for that. Does that not give us the right to discuss mining taxes under the first vote? Is not the Act enforced by your department and amendments can be made by you?

**Hon. Mr. Bernier:** I think we are going broader than that, though. We are going to the federal incentive programmes and EGMA and this type of thing, and corporation taxes. We are all over the bulk, I think you will agree.

**Mr. Chairman:** Mr. Smith.

**Mr. R. S. Smith (Nipissing):** I have one question in particular. A couple of weeks ago I asked the Minister of Energy and Resources Management (Mr. Kerr) a question with regard to the use of the lignite deposits in northern Ontario. I asked him in the House why Ontario Hydro had refused to test the use of the northern Ontario lignite at their Thunder Bay plant. About a week or two later I got a little note from him saying that it would be tested there on June 22 and 23—

**Hon. Mr. Bernier:** That is right, next week.

**Mr. R. S. Smith:** Then following that, in one of the standing committees, I asked Mr. Thompson of the Ontario Northland Transportation Commission, who is also a member of the Ontario Economic Council, what the difficulty was. He said that Ontario Hydro was non-co-operative, to say the least, in the assistance of development of the use of the lignite there. As I understand it, much of that area is under licence through your department to a particular private firm—

**Hon. Mr. Bernier:** Right! Alberta Coal!

**Mr. R. S. Smith:** Was I to understand from the question period today that you and the Minister of Lands and Forests (Mr. Brunelle) were up there this past weekend?

**Hon. Mr. Bernier:** That is right. Yes. We just returned.

**Mr. R. S. Smith:** You can remember that far back?

**Hon. Mr. Bernier:** Yes.

**Mr. R. S. Smith:** I would like to know what is happening now. Has there been an agreement at least to co-operate by the Economic Council, the Minister of Mines, the Minister of Lands and Forests, whose riding the deposit is in, and Ontario Hydro? What part did the Mines Department play in trying to bring these people—all of the same government—to some kind of agreement at least to test the lignite?

**Hon. Mr. Bernier:** I think the member is well aware that there are some, I think it is 100 tons, in Thunder Bay now, aren't there?



**Mr. Douglass:** Yes.

**Hon. Mr. Bernier:** There are possibly about 100 tons of the lignite that will be tried in the plant at Thunder Bay within the next week or ten days. This property is under licence to the Alberta Coal people, and they have done quite an extensive amount of extraordinary work in the area. I think they have blocked out something like 150 million tons. It has about 42 feet overburden and the strip of lignite is about 12 feet thick.

**Mr. R. S. Smith:** As I understand it, that company is prepared to build an electric power plant there, fired by the lignite, if they can come to a contract agreement for the sale of that electric power with Ontario Hydro, but Ontario Hydro has been less than co-operative even in the testing of the lignite, let alone the purchase through contract from that private company of electric power.

**Hon. Mr. Bernier:** I think I will have to agree with you on that part of it, that Ontario Hydro has not been as easy to get along with as we would like and, certainly, this department has done everything it could to bring all the parties together. This was one part of our exercise over the weekend, to bring Hydro and bring Alberta Coal together and to bring Lands and Forests and our department together to see if we cannot get this thing off the ground.

**Mr. R. S. Smith:** That is what you were doing there this weekend?

**Hon. Mr. Bernier:** That is exactly right; yes.

**Mr. R. S. Smith:** Okay. Why has it taken the Ontario Economic Council, which is also an arm of this government, well over a year to find co-operation among three departments of the same government to go ahead on this thing?

**Hon. Mr. Bernier:** No; I think the situation has changed as time has developed, because I understand some time ago the Alberta Coal people did not have the financing to go ahead with it on this scale, but now they feel they may have the financing. We are talking in the neighbourhood of \$200 to \$250 million; so it is not peanuts.

**Mr. R. S. Smith:** I realize that.

**Hon. Mr. Bernier:** It is a whole new ball game now and, hopefully, Hydro will go into further in-depth discussions and further examination of its costs and see if we can

come a little closer together on the cost and the purchasing figure.

**Mr. R. S. Smith:** Is Hydro interested in going in there and developing that itself?

**Hon. Mr. Bernier:** The thing is—

**Mr. R. S. Smith:** It is on a short-term licence, is it not, to Alberta Coal?

**Hon. Mr. Bernier:** It is on a licence; yes.

**Mr. R. S. Smith:** How long is the term?

**Hon. Mr. Bernier:** I do not know how long that licence is.

**Mr. Douglass:** Three years.

**Hon. Mr. Bernier:** Three years.

**Mr. R. S. Smith:** They have had it now for what?

**Mr. Douglass:** One year.

**Mr. R. S. Smith:** One year?

**Mr. Douglass:** Maybe one and a half. I do not know.

**Mr. R. S. Smith:** So they only actually have another year and one half to run on their licence.

**Hon. Mr. Bernier:** Of course, they could renew it. They would have first right of renewal.

**Mr. R. S. Smith:** They have first right of renewal, ahead of Ontario Hydro?

**Hon. Mr. Bernier:** Yes.

**Mr. Douglass:** Hydro is not interested.

**Mr. R. S. Smith:** Pardon?

**Mr. Douglass:** Hydro would not be interested. All that Hydro comes into the picture for is to buy the energy. Alberta Coal are the only people in Canada that have this sort of expertise to develop power from lignite.

**Mr. R. S. Smith:** From lignite?

**Mr. Douglass:** That is right.

**Hon. Mr. Bernier:** It is a very complex way of doing it because of the high moisture content in the lignite itself. In fact, I will bring a sample of the material. You will be interested in seeing it.

**Mr. R. S. Smith:** Yes. This apparently has been the problem with the Saskatchewan lignite. It has a lesser moisture content. Is this right?

**Hon. Mr. Bernier:** That is right. There has been some discussion and some controversy as to the Btu that are available from this type of energy, this type of coal. But it is—

**Mr. R. S. Smith:** But you say now that Hydro is co-operating to the extent that it is—

**Hon. Mr. Bernier:** Yes; right now they are re-examining their whole total position, following our trip up north, and their cost figures.

**Mr. R. S. Smith:** Following the fact that it has been brought up in the Legislature and they looked like a bunch of idiots—

**Hon. Mr. Bernier:** It could well be.

**Mr. R. S. Smith:** —I just think that the Minister of Mines could ask for Mr. Gathercole's removal.

**Hon. Mr. Bernier:** Well.

**Mr. Chairman:** Vote 1301, carried?

**Mr. Martel:** Mr. Chairman, let us not leave yet. I indicated to your staff the other day that I wanted to know the new concessions made for processing abroad to any new companies. I mentioned that Cobalt has had a number.

**Hon. Mr. Bernier:** Yes; I think I have them here. We are looking for new exemptions. Is this section 106?

**Mr. Martel:** Yes right!

**Hon. Mr. Bernier:** Yes. Denison Mines. Do you want me to read the whole report out? I think I should. This exemption was for yttrium oxide only, which is a byproduct of the production of uranium oxide from uranium ores.

**Mr. Martel:** Just a minute before you go on, was that also included in last year's? I just went through last year's?

**Mr. Lee:** It was in last year's, but the exemption for that particular material had to be extended for the time shown here, December 31, 1972, because there was a breakdown in the deliveries of the material.

**Hon. Mr. Bernier:** Shall I carry on? The company had originally had an exemption for yttrium oxide which was to expire December 31, 1970, but due to a breakdown in the deliveries of the US firm, which was purchasing this material, the contract had to be extended to December, 31, 1972, in order to be

completed. Since there is no particular use for yttrium oxide in Canada, the government felt that it should not put obstacles in the way of the export of this byproduct. Incidentally, this oxide is used for the production of coloured television tubes, but has recently been replaced by substitute materials not of a radioactive nature.

The next ones are the Cobalt-Gowganda areas. As we are all well aware, the Cobalt refinery which has been handling all the ores and concentrates produced in the Cobalt and Gowganda silver areas, stated that it would cease operations as of March 31, 1970, which we are all aware of.

This would have resulted in a considerable loss of employment to the community, if the producers in the area mentioned had not been permitted to ship their ores or concentrates out of Canada for refining, because existing mines would have been forced to close down and there would have been no other facilities available in Canada to treat their particular type of ore, which is—

**Mr. Martel:** In view of taking over the refinery—

**Hon. Mr. Bernier:** As you are aware, the ore in this particular area has a very high arsenic content, and is a very complex ore. Mattabi Mines. This company contemplates the operation of a zinc, copper, lead mine in the district of Kenora that—

**Mr. Stokes:** Thunder Bay.

**Hon. Mr. Bernier:** Is it Thunder Bay? I think the Sturgeon Mine is located in the great riding of Kenora, but I am not certain.

**Mr. Stokes:** Most of the lake is in Thunder Bay.

**Hon. Mr. Bernier:** We will have to share that glory.

"And partly in the district of Thunder Bay." I am sorry, it says here. The company has been created to exploit this property by agreement between Mattagami Lake Mines, and the Abitibi Pulp and Paper Company. The finances of Abitibi Pulp and Paper are such that under the inter-company agreement, Abitibi would not be in a position to raise their share of the investment capital required to put the mine into operation unless there was a firm commitment that the Mattabi company would be able to dispose of all its zinc and lead concentrates within at least a five-year period following the commencement of operations. There is at present no available

capacity in the existing facilities in Canada for the smelting and refining of zinc and lead concentrates. South Bay Mines: Here again it is in the great riding of Kenora that I might add we are officially opening that mine on July 3 of this year.

**Mr. Martel:** You are flying us all up are you?

**Hon. Mr. Bernier:** I would like to have you there. I extend to you all a very warm welcome. I think you could use your CNR passes. It takes you right to Red Lake Road.

**Mr. Yakabuski:** Transportation prepaid?

**Hon. Mr. Bernier:** Yes, you all have free passes on the CNR I believe. I would be glad to arrange transportation.

**Mr. Yakabuski:** Oh I thought aircraft from the Island Airport.

**Hon. Mr. Bernier:** Anyway, this mine is in the same position as Mattabi mines.

**Mr. Martel:** Are you going by train?

**Hon. Mr. Bernier:** No. I will be in the area.

**Mr. Stokes:** The people in northwestern Ontario are really going to crucify you for allowing those ores to be shipped out unprocessed.

**Hon. Mr. Bernier:** With regard to lead and zinc concentrates, it will be noted that the exemption recommended is for five years, subject to condition that it will not be renewed beyond that time if the company does not make a serious effort to arrange for the treatment of its zinc concentrates in Canada, at least two years prior to the expiry date of the recommended exemption. Those are the four.

**Mr. Martel:** So the—four new exemptions. That are now up to 36, or 37, exemptions. What does that cost in jobs as opposed to if we were both refining and smelting up here?

**Hon. Mr. Bernier:** Well, I do not think you can actually relate it to jobs at this time, because we do not have a large enough quantity to—

**Mr. Martel:** A large enough quantity of what?

**Hon. Mr. Bernier:** Certainly once these mines get into operation maybe the time will come when we will review this in a three-

year period and they have got to make a serious effort to provide for—

**Mr. Martel:** Well, 100 per cent of our lead is now sent abroad.

**Hon. Mr. Bernier:** Right!

**Mr. Martel:** One hundred per cent. In short tons that is 105,000 tons from a number of small mines; I would presume—some of it, not all. What is wrong with having one smelter that would process all of it?

**Hon. Mr. Bernier:** Well I am hopeful that in my own particular area—if we can bring Mattabi mines into production along with South Bay Mines, and if we can bring concentrates from those two properties and maybe other properties that are being worked in that particular area, then we can force the construction of the processing plant in that area.

**Mr. Martel:** And in the case of zinc where we now process 14 per cent with the introduction at Timmins, it will be 52 per cent, not taking into account the new production figures as the result of new mines, I venture to say that we will still be processing 50 per cent roughly of the zinc unrefined, probably not smelted. Again, Mr. Minister, I would say to you, this is where the jobs are.

**Mr. Makarchuk:** Mr. Minister, last year we went through the same process and we got the same answers—that it may not be profitable and it may not work out and so on, and we asked the last minister if he had any evidence to prove his statements, and, of course, he did not have any evidence.

Have you acquired any new evidence to indicate that this is the case, or have you just been listening to some soothsayer giving you the story, and this is the way it always was and this is the way it will always be?

**Hon. Mr. Bernier:** No. As I said, within three years we are going to ask the company to produce them.

**Mr. Makarchuk:** Well, the period then, the company will have three years and will give you the same answer again.

**Hon. Mr. Bernier:** No, no, I do not intend—

**Mr. Makarchuk:** And the only salvation is that in the period of three years, you will not be there.

**Hon. Mr. Bernier:** I can only assure you that this minister is still in this position, and I will be in the position then too.



**Mr. Makarchuk:** You will not be there. This is the salvation for the people of Ontario. But the point is that as a responsible minister, should you not be having some kind of feasibility or economic study now to present us with facts and figures to say that this is the case? That it is not profitable to do it? Or, let us find out what is going on instead of just accepting some figure or some story from somebody who has a good vested interest in preserving the way things are and making, I suppose, a reasonable profit, and who is quite happy.

The other way it may change, the profit figure may change a bit. It may become slightly adverse, but in terms of social benefits to the people of Ontario, you know, it would be a different story altogether, and this is your responsibility and you are not doing anything.

I think that we have brought the mines into production. This is number one. You have got to have the mines, they have got to be producing the concentrates. We have told them very, very emphatically and very, very clearly they would not be renewed after a five-year period, so they know where we stand. It is very, very clear.

**Mr. Martel:** The point is, during that five-year period, Mr. Minister, we are going to have many people on unemployment; we are going to have many people on welfare—

**Hon. Mr. Bernier:** We got these out of production.

**Mr. Martel:** Profits are going to be made in other jurisdictions using our natural resources. The point is that we have to start using the natural resources at the place they are extracted from and unless you get tough with a big stick, that is not going to happen.

**Hon. Mr. Bernier:** As I have pointed out, Abitibi is an example. They did not have the capital. They had to have the guarantee that ore could be shipped out and sold immediately to get the thing into production. Once we have them into production, then we are in the driver's seat.

**Mr. Martel:** Well, we are not in the driver's seat, Mr. Minister, despite—

**Mr. Yakubuski:** Mr. Chairman, on a point of order, I want to know if the member for Brantford is referring to those senior civil servants of your department as a bunch of soothsayers, or other qualified people. Is that what you said?

**Mr. Lewis:** It is not.

**Mr. Yakubuski:** Well no, he said a bunch of soothsayers.

**Mr. Lewis:** Well, that is all right. That is the mildest epithet he has ever used.

**Mr. Yakubuski:** Well now, are you referring to the senior civil service? That is all I wanted to know.

**Mr. Makarchuk:** We are asking the minister where he gets his information, and I did not say whether he gets his information—

**Mr. Yakubuski:** —the word you used. Do you want to take it back now?

**Mr. Makarchuk:** Maybe the quality of the information—

**Mr. Yakubuski:** Or do you want to be like Borowski in Manitoba!

**Mr. Lewis:** It is the mildest epithet he has ever used.

**Mr. Yakubuski:** Does he want to be like Borowski out in Manitoba? Do you want to apologize to the—

**Mr. Chairman:** Order, gentlemen.

**Mr. Martel:** The minister just asked if—soothsayers.

**Mr. Chairman:** Mr. Martel has the floor.

**Mr. Martel:** We will have that in a minute for you, Mr. Yakubuski.

**Hon. Mr. Bernier:** Does the member for Brantford want to withdraw his remarks?

**Mr. Lewis:** No, the member for Brantford does not want to withdraw his remarks.

**Hon. Mr. Bernier:** Let us hear from the member for Brantford.

**Mr. Makarchuk:** Mr. Chairman, on the same point, the minister did make a statement, we asked him where he got his information, whether he got it, as I said, from his civil servants, or whether from somebody else. After the comments on soothsayers, or whether he got it from the companies. What we want to know is where do you get your information indicating it would not be a profitable operation? That is all we are interested in.

**Hon. Mr. Bernier:** I can just point out to you with regard to lead alone—

**Mr. Stokes:** He got it from Abitibi, that is where.

**Hon. Mr. Bernier:** To lead alone—\$3.5 million of lead concentrates produced in the province of Ontario. To construct a lead smelter would cost millions and millions of dollars, far in excess of this.

**Mr. Makarchuk:** How many?

**Hon. Mr. Bernier:** I do not know off hand.

**Mr. Makarchuk:** Again, Mr. Minister, you say it would cost millions and millions of dollars.

**Hon. Mr. Bernier:** Let us say \$100 million—the deputy minister tells me. For \$3.5 million.

**Mr. Makarchuk:** What we want to know is something definite and specific.

**Mr. Lewis:** Another soothsayer.

**Mr. Makarchuk:** And we want some indication that this is what it will be. A follow up on this. Just because we have our ores finally processed in this country it does not mean this is where everything should stop.

We should start looking at the next stage where the ores are being fabricated into either sheets, or bars or ingots or whatever. This again produces jobs and as I mentioned the other day in Huntingdon, West Virginia, where Inco makes mono metal that it employs 3,000 people. It provides an annual payroll of \$40 million.

**Mr. E. W. Sopha (Sudbury):** Inco is no soothsayer.

**Mr. Ferrier:** You want to believe it.

**Mr. Sopha:** Hard-headed businessmen.

**Mr. Yakabuski:** Tell that to Eli.

**Mr. Makarchuk:** But this is the sort of planning that you should be carrying on at the moment in terms of providing the jobs or the social needs of the people of Ontario. You are not doing anything in this area. All you have managed to say to us is that you are interested, that you are going to have some exploration, and that is it.

**Hon. Mr. Bernier:** I would point out to you, Mr. Chairman, that we in Ontario and Canada have no markets for refined zinc as such. This is why—

**Mr. Martel:** Well, here the Americans are producing refined zinc and if they have no market for it they go out and find the bloody market.

**Mr. Makarchuk:** Again, Mr. Chairman, the minister says there is no market for refined zinc. Now how is he going to back that statement up?

**Mr. Martel:** You think the market is just going to be Canada? You go out and find a market. The Americans have not got control of the world economically by sitting at home on their hands and saying: "Look, we have no market." They go out and find a market.

**Mr. Lewis:** Mr. Minister, is there any new processing arrangement underway in Ontario? Have you got a single new processing plant in any—

**Mr. Douglass:** International Nickel are bringing in a new copper process and a new nickel refinery. Falconbridge have a new iron deal and elemental sulphur. It has not been done before in Canada. These are all new.

**Mr. Lewis:** What will it mean, in terms of—refining, processing at home—in terms of jobs?

**Mr. Douglass:** I have no answer to that.

**Mr. Chairman:** Mr. Sopha.

**Mr. Sopha:** Yes, I want to raise a very specific issue. I understand from Mr. Marchand that this department did not even make an application for the location of the Falconbridge smelter in Ontario. Is that correct? That is what he says. No application was made by this department.

**Hon. Mr. Bernier:** Not to my knowledge.

**Mr. Sopha:** Why not? Why would an application not be made? When the federal government is ready to put out \$4 million by way of largess to those Texas millionaires that own Falconbridge Nickel Mines, why would this department not make some effort to have that smelter, that refinery, located in Ontario?

**Mr. Douglass:** I may be able to answer that, but probably not. We discussed this with Falconbridge. That is the reason, first of all, under 106, the Act providing that these facilities will be done in Canada. In other words we did not say in Ontario, such as they do in Manitoba.

**Mr. Martel:** Smart people.

**Mr. Douglass:** Well, time will tell. We discussed this with Falconbridge. Falconbridge have huge deposits of nickel up in the

Ungava area. They looked at four or five different sites, and they wanted to be on the water for shipping purposes. We are forcing them to refine, here in Canada, the same ores they are going to be mining here, so they are going to have to find feed for their Norwegian refinery and it is going to come from their Ungava deposits. They will be shipping from their refinery on the water down there.

**Mr. Sopha:** All right. Let us deal with the water aspect first. For years and years they have been shipping to Kristiansand in Norway. We tolerated that. We permitted them to create jobs in Norway with the utilization of our ores.

So, to speak in terms of water, since we are dealing with the water aspect, when you are talking about Norway, that is a great deal farther distance than it is located somewhere on the Great Lakes chain. So if the refinery were located, say, in Blind River, or at Sturgeon Falls or Parry Sound—

**Mr. Stokes:** Little Current.

**Mr. Sopha:** —Little Current—

**Mr. Ferrier:** Timiskaming, some place.

**Mr. Sopha:** —the difference would be marginal. Now we are dealing with the water aspect. The difference would be marginal whether it is at Betancourt in Quebec, wherever that is, probably down on the north shore—

**Mr. Douglass:** Which is year-round shipping—not like the Great Lakes.

**Mr. Sopha:** Yes, that might be. But it strikes me that at least an effort should be made to canvass the Little Current area—well, somebody threw that one in; I prefer the Blind River, Parry Sound area, somewhere around there. This is a very depressed area and needs the infusion of an activity of that magnitude.

Now, when we are talking about activity—let us deal with that aspect for a moment. The construction of the thing will create a tremendous number of jobs, no doubt, quite apart from the continuing employment that one can look forward to over the years as they deplete that huge ore body at Sudbury. It is simply incredible to me, just shocking, that this department would not even approach the federal government and Falconbridge from the point of view of seeing whether those ores could be refined in Ontario.

**Hon. Mr. Bernier:** I think that I mentioned—

**Mr. Sopha:** Let me put out of the way the parochial aspect. I realize that this is one country, Canada, and I do not want to give the impression that we want to deprive the people of Quebec of that which they might legitimately expect. But on the other hand, those ores are to be found in Ontario, they are Ontario ores. And there is some justification to say that one might expect ores within Ontario to be refined in Ontario. There is some basis upon which one can legitimately put forward that proposition. But I had an unhappy exchange of correspondence with Mr. Marchand about it; he said: "Well, what are you talking about—the solicitude toward the Texas millionaires?"—which they are, who control and manage Falconbridge Nickel Mines, having come in and taken it over a few years ago. He said: "The Department of Mines of Ontario did not even make an application to us, did not even canvass it with us to ascertain whether we might select an Ontario site," because I refuse to believe the decision is to be left to Falconbridge Nickel Mines and the Texas millionaires for them to say to us where the ores are going to be refined. If the federal government, as it did, put up \$4 million toward the location of that refinery, then the federal government perforce must have some say in respect to the location of the smelter.

Well, it is a matter of great sorrow to me, as a result of that exchange in correspondence, when Mr. Marchand tells me that you people did not even make an application, you did not even consult them in respect to it. And Mr. Marchand, being the noble French patrician that he is, was delighted when the selection was made in Quebec and was ready to put up that \$4 million which the Texas millionaires do not need in the first place. It is a matter of great regret to me that we would even give them the \$4 million. They should be lending us money.

**Hon. Mr. Bernier:** I wonder if I can interrupt, Mr. Sopha, for one second.

**Mr. Sopha:** Pardon?

**Hon. Mr. Bernier:** If I could interrupt for one second?

**Mr. Sopha:** All right, fine.

**Hon. Mr. Bernier:** You are talking about, I am sure, the regional incentive programmes of the federal government.

**Mr. Sopha:** That is right.



**Hon. Mr. Bernier:** We have only one specific area that is designated which would have qualified, no doubt, for this type of assistance.

**Mr. Sopha:** That is right.

**Mr. Yakabuski:** Where is that?

**Hon. Mr. Bernier:** Is it in the Renfrew area, Mr. Yakabuski?

**Mr. Sopha:** I want to make a note about that.

**Mr. Yakabuski:** That is right. That shoots his argument down to hell.

**Mr. Ferrier:** It is in northern Ontario, Timmins, where it is designated.

Interjections by hon. members.

**Hon. Mr. Bernier:** I beg to differ with you, sir. Go down to Ottawa and see if Timmins is designated.

**Mr. Ferrier:** Then how did Texas Gulf get over \$8 million if it was not designated?

**Mr. Sopha:** On a point of order. I do not want to be distracted here by my wolf hunter from Renfrew. I am after bigger game.

**Mr. Yakabuski:** You do not have to be distracted, but you are not going to run roughshod with your loose arguments here.

**Mr. Sopha:** The previous minister of this department said in public on a number of occasions that the federal department, Marchand's department, discriminates against Ontario.

**Mr. R. G. Hodgson:** It does not?

**Mr. Yakabuski:** He was absolutely right in saying it.

**Mr. Sopha:** That is what he said. On the hustings he is talking about discrimination against Ontario and he did not even make an application. He was the minister and he did not even make an application to the federal government for the location of the refinery.

**Mr. Ferrier:** Shame! Shame!

**Hon. Mr. Bernier:** There was no reason here for an application to be made. It was not a designated area.

**Mr. R. S. Smith:** It was phoney. He tried to make an issue of it.

**Mr. Sopha:** Yes. He could have phoned. A phoney issue. Boy oh boy, this department is certainly wanting in my view in respect of this. When you have, out of one side of the minister's mouth, rhetoric like that, the discrimination against Ontario; and then they suddenly announce they are going to locate the refinery down in Quebec and we are told we did not even have an application.

What are you doing? What is the department doing in respect of that? You should be hound-dogging those Texas millionaires who control that company day in and day out in order to persuade them to locate that refinery in Ontario. It would have been a beautiful thing to see it erected in the Blind River area, somewhere along the north shore. Perhaps Parry Sound, somewhere along there.

**Mr. Makarchuk:** There should be an amendment in the House—

**Mr. Sopha:** That is what I came here to say.

**Mr. Yakabuski:** Mr. Chairman, on a point of order, I would like to ask the hon. member for Sudbury if, in his correspondence with Mr. Marchand, did Mr. Marchand state that the incentives that Falconbridge are going to receive—

**Mr. Sopha:** Formerly, formerly—

**Mr. Yakabuski:** —from The Department of Economic Expansion would be available if they located in Ontario? Did he tell you that?

**Mr. Sopha:** Well certainly.

**Mr. J. N. Allan (Haldimand-Norfolk):** No, he did not.

**Mr. Yakabuski:** He did? And you have it in black and white? We want to know that because for the future—this is very important information.

**Mr. Sopha:** Certainly it would be available.

**Mr. Yakabuski:** He told you that? Table a copy with this committee.

**Mr. R. G. Hodgson:** Bring your letter.

**Mr. Ferrier:** We normally should be directing industry where to go rather than let them do what they want. That is the trouble in this province.

**Mr. Sopha:** The very idea.

Interjection by an hon. member.

**Mr. Martel:** Free for whom?

**Mr. Ferrier:** The member for Nickel Belt (Mr. Demers) had something to say about an ore body around Chapleau wanting to locate their refinery around the Oshawa area and he thought that maybe it should be located near Chapleau. He wrote a letter which went to all the news media. He had nothing to say when we suggested that Texas Gulf should be directed to the establishment of their refinery in Timmins. So, it seems that when it suited his purpose he was prepared to take this stand. I quite unequivocally say in situations like this that industry can and should be directed by the government.

**Mr. Chairman:** Mr. Sopha, do you want to continue?

**Mr. Sopha:** In order to keep the record correct, I wanted to say that over the years we have shown considerable solicitude toward our friends in Quebec in the shipment of ores from the area of my friend from Timmins—

**Mr. Ferrier:** Right!

**Mr. Sopha:** —to their smelter and refinery at Noranda. We have created quite a few jobs, so it is not a question of unfairness with the people of Quebec when we might rightfully feel that since that ore body is located in the Sudbury basin that the refinery ought to be contiguous to it within some reasonable distance. I can think of lots of areas.

My friend says the Cobalt-Tritown area. There ought to be all kinds of areas that are very deserving of it. But as far as I am concerned, in having this revealed to me, this neglect, failure, defalcation—I wish I could find a synonym that was most appropriate for it—in not even approaching the people to get it located somewhere in Ontario. I ask, “What do you do, test cables?” Is that what this department does?

**Hon. Mr. Bernier:** We do that too.

**Mr. Sopha:** You have a cable-testing department over there? Is that about all you do?

**Hon. Mr. Bernier:** We do a few more things.

**Mr. Sopha:** Yes, yes; as far as mining is concerned—

**Mr. Allan:** Mr. Chairman, could I ask the minister if, at the next session, he would

bring here a responsible statement as to where in Ontario they could have obtained that \$4 million?

**Mr. Sopha:** They did not even ask.

**Mr. Allan:** Now, that is not what I said.

Interjections by hon. members.

**Mr. Allan:** Can I be heard?

**Hon. Mr. Bernier:** The member for Sudbury knows very well that he is not qualified.

**Mr. Allan:** Mr. Chairman, can I be heard?

Interjection by an hon. member.

**Mr. Yakabuski:** You are laying a smoke screen in here today. They are apologizing for the federal Liberals.

**Mr. Sopha:** Absolutely.

**Mr. Allan:** Can we have that information?

**Hon. Mr. Bernier:** You are not getting me off the track with those red herrings.

**Mr. Allan:** I am not getting you off the track at all. I am asking a question.

Interjections by hon. members.

**Mr. Allan:** Mr. Chairman, can I ask if the Minister of Mines will bring us that information to this estimate?

**Hon. Mr. Bernier:** I will. Yes, I will.

**Mr. Sopha:** Implicit in the correspondence between Mr. Marchand and myself—

**Mr. Allan:** We have heard that 14 times.

**Mr. Sopha:** —was the idea that the benefit would be available if the department had asked.

**Mr. Yakabuski:** After it is done he says that!

**Mr. Sopha:** They did not even ask.

**Mr. Stokes:** They got it at Timmins. Point it out to them.

**Mr. Sopha:** Yes, they got it at Timmins.

An hon. member: Six point two million.

**Mr. Sopha:** Six point two.

**Mr. Chairman:** Order.

**Mr. Ferrier:** Eight million dollars.

**Mr. Sopha:** Well, boy oh boy.

Interjections by hon. members.

**Mr. Sopha:** I just want to end on this note and say they might as well close this department down, because it has been apparent over the years that as far as mining is concerned, the mining companies of this province know a great deal more about mining than this department does. This department ought to be the repository of the most sophisticated knowledge in respect of mining. It is not. They test cables.

**An hon. member:** They are not too sure about that either.

**Mr. Martel:** I did not say that.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Yes, the member for Sudbury brought up an important point here. If I can recall, I believe Falconbridge, at one time, took options on land on the Welland Canal at Port Colborne, Ontario. In fact, I think they bought the land at one time to relocate or to set up a refinery in that area. Now, he tells me that it is going to be built in Quebec. I was just wondering what has this department been doing for 15 years?

**Mr. Martel:** But the price for extraction was heavy.

**Mr. Haggerty:** They have already taken the option on the land and I am sure that they bought the land, in view of the fact that the municipality was going to provide services for this site, and now I find it is going to be located in the Province of Quebec.

**Mr. Yakabuski:** There are no incentives available for almost all of Ontario.

**Mr. Haggerty:** No, there are no incentives, I will tell you one of the reasons why—

**Mr. Sopha:** Let me say to my friend from Welland, as a matter of principle, my friend from Cochrane South is perfectly right, when you get down to principle. We tell them, that is the new way. We tell them, they do not tell us. They do not make this decision in Houston, Texas, as to where they are going to refine our ores. Richard Nixon last week was talking about a continental energy policy where that voracious American eagle is viewing our resources over the rest of the century.

Well, the time has come when we dig our heels in, straighten our spine, summon up the courage and we say, "From now on, brethren, we tell you" and the Minister of Mines gets the Texas millionaires into that plush office

suite he has over in the Whitney Block and he says, "Here is the word of prayer this morning, here is the word of prayer, harken to it."

**Mr. Chairman:** Vote 1301 carried.

**Mr. Sopha:** It is not going to carry until I finish and I am perfectly serious when I say, as a matter of principle, and I am sure I enunciate the policy of our party, that the wave of the seventies is going to be that we start to tell those people—

**Mr. Allan:** Why do you not walk right over with them? Move right in.

**Mr. Sopha:** Instead of them telling us. There will come a day when this department will mean something other than testing cables.

**Mr. Haggerty:** The member from Renfrew says there is no incentive perhaps in my area, and this is quite true. One of the reasons is that the cost of Ontario Hydro has increased in the past year and I can tell you that industry is going to pack up in that area and leave and Quebec has the jump on us once again, because they have a programme that will provide hydro at a reasonable rate.

**Mr. Yakabuski:** Subsidized hydro—are you advising that?

**Mr. Chairman:** I believe we are getting slightly away from The Department of Mines.

**Mr. Sopha:** We are right smack in it with Falconbridge Metal Mines, the second biggest mining company in Ontario, one-quarter the size of big brother Inco. And when we are talking about the refinery that is going to be built down on the shores of the St. Lawrence we are talking about The Department of Mines and we are talking about its shocking default. They have not even applied for that refinery to be built in Ontario. That is my position.

**Mr. Martel:** Was your predecessor not shocked, full of dismay? I can recall when this was discussed in the Sudbury area that Lawrence of Ontario was tremendously shocked and blamed the federal government. Is that not right? Did your predecessor blame the federal government for the location of that refinery in Quebec, in trying to convey the impression that this department had done something in an effort to attract it to Ontario but that it failed?

**Hon. Mr. Bernier:** Because of no incentive grants I am sure. The incentive grants went



to Falconbridge for establishing in a designated area in Quebec.

**Mr. Martel:** Look at the pound of flesh that they have extracted from Quebec in getting their 20-year tax exemption. The point I made on Thursday was this: they really know how to play poker, do they not? That is what your predecessor always used to say: it is a poker game—and they always win at the poker game. I do not know if they play with a stacked deck, but they always win, do they not, and they got their pound of flesh out of Quebec too.

**Hon. Mr. Bernier:** Mr. Chairman, if I may just make a comment on that—

**Mr. Makarchuk:** With Levesque waiting in the wings, they may not win that poker game.

**Mr. Chairman:** Yes, Mr. Minister.

**Hon. Mr. Bernier:** Just for the record, I think we should refer to the statement by Falconbridge, where it is pointed out—this is barring the great grants and gifts of your friend, Mr. Marchand, Mr. Sopha—

After an intensive study of possible locations in five provinces, a site on the south shore of the St. Lawrence River was selected as the most suitable for our requirements. The location is in central Quebec industrial park which offers year-round shipping, complete dock facilities on tidewater, convenient road and rail facilities.

This is over and above—

**Mr. Sopha:** Is that not just lovely?

**Hon. Mr. Bernier:** In the Province of Ontario we have one designated area in the federal incentive programme—one.

**Mr. Sopha:** That is not so!

**Hon. Mr. Bernier:** You check the green dots for the Province of Quebec.

**Mr. Sopha:** That is not so!

**Hon. Mr. Bernier:** Check the programme.

**Mr. R. G. Hodgson:** They changed the ground rules for the incentive areas.

Interjections by hon. members.

**Mr. Martel:** Did you see the juggling act by his predecessor when it was announced? He claimed every one except—now we find out they did not even make an application.

He was campaigning and that is why this department missed the boat.

**Mr. Sopha:** I say to my friend from Sudbury East, they denied the efficacy of civilized communication. If the federal government had approached Falconbridge Nickel Mines—

**Hon. Mr. Bernier:** They did.

**Mr. Sopha:** —and had attempted to persuade them, to push them or muscle them a bit to locate the refinery, then what is wrong with the head of the government getting on the phone to Mr. Trudeau? Mr. Trudeau speaks English. He can call him up—

**Mr. Allan:** Does he? Does he really?

**Hon. Mr. Bernier:** I am sure Mr. Trudeau would not lean to Ontario.

**Mr. Sopha:** —and say, “Look, here is the situation. We have a suitable area. We want the refinery to be located here and we feel that we have a moral basis on which to put it, in that the ores belong to the people of Ontario.” I emphasize that—they belong to the people of Ontario. They do not belong to the Texas millionaires who run Falconbridge Nickel Mines and McIntyre; they are only trustees at the best.

**Mr. A. Carruthers (Durham):** Mr. Chairman, was there any communication between the Ontario government—

**Hon. Mr. Bernier:** Yes, the deputy minister spoke to Falconbridge.

**Mr. Sopha:** No, there is no communication.

**Mr. Carruthers:** Let us get this thing straight.

**Mr. Chairman:** Order. Mr. Newman.

**Mr. W. Newman:** The minister said there is only one designated area. Where is that designated area?

**Hon. Mr. Bernier:** In the Renfrew area.

**Mr. W. Newman:** That is what I thought.

**Mr. Chairman:** Part of Renfrew county and part of the district of Nipissing.

**Mr. Sopha:** That is a red herring.

**Mr. W. Newman:** It may be a red herring, but you are throwing an awful lot of smoke and making a lot of noise about nothing.

**Hon. Mr. Bernier:** The member for Sudbury says, "Do not confuse me with the facts."

**Mr. W. Newman:** That is right.

Interjections by hon. members.

**Mr. Sopha:** Well, the attempt here of course is to paint a distorted picture.

**Mr. Carruthers:** You are painting the distorted picture.

**Mr. W. Newman:** Why did IBM go to Quebec then? Tell me that?

**Mr. Sopha:** You start from the basis that the orebody is to be found in the Sudbury basin; that is where you start. That has nothing to do whatsoever with Renfrew South. It has nothing to do with it at all. The ores are found in the Sudbury basin; so, starting from that basis, your next point of reasoning, I suggest to you, is that it would be a proper thing if they are refined somewhere contiguous to their location. That is the next step you take. And you begin to look for areas; I have pointed out two or three. Blind River, I thought, would be a good one; it has a deep-water port. Sturgeon Falls—

**Mr. R. G. Hodgson:** That is not qualified.

**Mr. Sopha:** —Parry Sound.

**Mr. R. G. Hodgson:** That is not qualified.

**Mr. W. Newman:** You are saying that unless they are given \$4 million, they would not locate in Ontario.

**Mr. Sopha:** Is that what you are saying?

Interjections by hon. members.

**Mr. Chairman:** Order, gentlemen. Let us get back to the vote.

**Mr. W. Newman:** You sure like to create a disturbance.

**Mr. Sopha:** You guys are not going to put me off with those red herrings.

**Mr. Chairman:** Vote 1301 carried? Mr. Martel.

**Mr. Martel:** I just want to get the minister back in focus here. Mr. Sopha forgot to mention that we could consider unemployment—209,000—as one of the things you take into consideration. Let us go back to the zinc smelter, though. Even with the new Texas Gulf plant, Mr. Minister, only 52 per cent is going to be processed. Where does the

other 48 per cent come from and where does it go that we would allow it to continue to be processed abroad?

**Mr. Douglass:** Fifty-one per cent of Texas Gulf is to be processed in Ontario. Are you talking about the balance of that?

**Mr. Martel:** I am not just talking about Texas Gulf zinc. I am talking about zinc right across the board.

**Mr. Douglass:** Some of it goes to Spain. Some of it goes to Japan. We ship to some 40 different countries in the world.

**Mr. Martel:** How many mines does it come from?

**Mr. Douglass:** Our zinc?

**Mr. Martel:** Yes.

**Mr. Douglass:** Eight.

**Mr. Martel:** Now if we have eight zinc mines and they processed the remaining 48 per cent—which is the figure I believe, that indicates what we are shipping to 46 countries after Texas Gulf refines zinc in Canada.

**Mr. Douglass:** That figure may be in—

**Mr. Martel:** Give or take a few per cent. The point I am trying to make is that if we processed from those eight zinc mines the materials that are going to the 46 countries, we would be producing employment in Ontario, and rather than send the zinc in some bulk form send it in a finished form.

**Mr. Douglass:** The zinc does not go to 46 countries. It goes to six.

**Mr. Martel:** All right six—the number of countries is immaterial. The point I am trying to make is this: how many jobs could we create if we said to the eight companies, "Look, you enter into a consortium and together build a zinc smelter and refinery?"

**Mr. Douglass:** This is the fallacy of smelting and refining; it does not create that many jobs. This is the most highly automated branch. We walked into a concentrating plant the other day that will put through 35,000 tons a day, with maybe six men on shift; so when you talk about jobs in smelting and refining, it is fabricating we have got to get into.

**Mr. Martel:** Oh well, we have mentioned that already too; but we are not getting the jump on them with this.

**Mr. Makarchuk:** How many men will be employed at the Timmins refinery in that case? Do you have any idea?

**Mr. Douglass:** No, I cannot answer that.

**Mr. Makarchuk:** It would probably create as many jobs if we had another refinery.

**Mr. Ferrier:** It would not be as many as some think it is.

**Mr. Allan:** Mr. Chairman, is it not a fact that zinc is a product that is in very plentiful supply? A number of these countries will not buy refined zinc. If we refined all our zinc they would buy it from British Columbia.

**Hon. Mr. Bernier:** I mentioned that earlier.

**Mr. Makarchuk:** This is one of these fallacies floating around here: They will not buy our zinc. Where will they get it?

**Mr. Allan:** It is not a fallacy; zinc is in plentiful supply.

**Mr. Chairman:** Vote 1301 carried?

**Mr. Martel:** Mr. Chairman, do not rush. God, you are anxious. We are not nearly as anxious as you are.

**Mr. Chairman:** We have had a great duplication of statements made in the two afternoons.

**Mr. Martel:** We are not nearly as anxious as you are, Mr. Chairman. I want to discuss a couple of my last points with the minister before we move on.

When the Treasurer gave \$125 million in his budget speech, did any indication come from your department, or were you consulted at all, as to what this might mean in terms of jobs in the mining industry? In other words, how much of that largess has it been estimated the mining industry would utilize?

**Hon. Mr. Bernier:** Well, The Department of Economics works fairly close with all industries and all aspects of the economy, and they have worked to make this assumption, this figure.

**Mr. Martel:** You have no indication how much of this largess will go into the mining industry, as only they need it, you know!

One final point: There has been considerable effort to—and again it is out of your department—

**Hon. Mr. Bernier:** Do not ask it then.

**Mr. Martel:** But it is part of the bag. Has your department seen fit, and yourself in particular, to sit down with your colleague, the Minister of University Affairs (Mr. White), and try to influence a decision which would see the location of a mining school at Laurentian rather than what has been recommended by the Lapp committee, which says to phase out the first- and second-year engineering courses at Laurentian University and bring them down to Queen's, where there is no processing, no training sites, no job potential, absolutely nothing to protect some bailiwick which is not even capable of supplying the number of engineers in the mining field that Ontario needs per year? Has your department made any representation?

**Hon. Mr. Bernier:** I can refer to the Lapp report when it came out on forestry. There is where the initial discussions took place, and if we are as successful in the north with forestry as we hope to be with mining, it will be all right. But, as you know, the University of Thunder Bay or the Lakehead University now—their two-year course in forestry has been extended now to four years and is a diploma course. I have discussed them in some detail with the Minister of University Affairs and I am afraid there is going to be a lot of discussion taking place before we can—

**Mr. Martel:** You must agree though that the last committee must have been way out in left field, or right field—

**Hon. Mr. Bernier:** I do, certainly.

**Mr. Martel:** —maybe not even in the same ball park.

I sat in on the hearings, and heard the evidence that was presented by the industry and so, by the interested people in the Sudbury area—and Algoma Steel was there, and they made representations. I read the Lapp report and as I read the first page and a half, "you have got to recommend an extension of—" I turned the page over and in the left-hand corner were three lines—he wiped it all out and said, "continue at Queen's."

Then, interestingly enough, they recommended that they work in affiliation with Cambrian College and Queen's. Now that makes sense, does it not? Cambrian College, located in Sudbury, to become an arm of Queen's University here in Kingston, rather than have a school of mining and metallurgical engineering in the heartland of the



mining industry. It boggles the mind. Where did he come from?

**Hon. Mr. Bernier:** I do not know.

**Mr. Martel:** The one man who sat on—Hodginson I guess his name was—he is protecting McMaster—it is as simple as that. He was apparently one of the founders of the school of metallurgy, should have never been allowed to sit on that committee. He was defending McMaster to keep its metallurgical school which, in itself does not supply enough metallurgical graduates per year to satisfy the needs of the heavy industry in the north. And I just wonder where some of these people that get on these committees come from.

**Mr. Sopha:** The truth is, of course, that Inco itself would hire the total product of mining engineers in Canada. Every one produced in Canada every year they would take.

I agree with you, it defies the imagination to understand why Laurentian University was not in its earliest stages the site of a school of mines. The natural site for the greatest mining school in Canada should be at Laurentian. Inco put up, I believe, \$3 million—I do not want to shortchange them—it is at least \$3 million. Is it, I ask my friend from Sudbury East?

**Mr. Martel:** Falconbridge and Inco combined put in \$3 million initially.

**Mr. Sopha:** They put up \$3 million themselves, for the founding of the university.

If there was a little initiative, Mr. Chairman, in this department, I am sure they could be persuaded to underwrite the cost of the school of mines. But there is no justification—it shows how we get shortchanged all the time—there is no rational justification at all for a school of mines to be located at Queen's. Notwithstanding that historically Queen's has had one, or at Toronto or anyplace else.

**Mr. Martel:** Toronto phased theirs out.

**Mr. Sopha:** The proper location site for a school of mines ought to be at Laurentian University. It ought to be the greatest school of mines in the world, with the knowledge of the greatest miners in the world—that is to say, the experts that mine the Falconbridge and the Inco mines.

Once again, Mr. Chairman, I merely say this, that it points to a lack of initiative in this department. I will seriously consider, with Mr. Nixon, when he is called by the

Lieutenant Governor, that we close this department down and start from the beginning—that we start from square one, once again. We stop testing cables—give that to somebody else to do—and start off with a new beginning, opening new horizons in respect of the mining industry of Ontario which, after all, I say as the member for Sudbury, is the creator of all these tall buildings downtown. They come from our natural resources in northern Ontario. They are the reflection, they are the temples of our natural resources.

**Mr. Martel:** We have the holes.

**Mr. Sopha:** Every time we turn around we get shortchanged somehow; something that should come to us goes elsewhere. Somebody writes a report—I read that report and that fellow from McMaster was on it, as I said, it was like the Mafia reforming the police commission. It is permitted to happen in the enlightened age of 1971.

When we form the government, I say this to my friends in Sudbury that—

**Mr. Allan:** Do not hold your breath.

**Mr. Sopha:** —that one of the earliest things that we will seek to do is to establish a school of mines at Laurentian, which is where it should be.

**Mr. Chairman:** Maybe we will get back to the estimates. I think we are rather wide-reaching again in our discussions.

**Mr. Sopha:** When we are talking about a school of mines, how does that—that is a point of order—how does that range widely from these estimates?

**Mr. Allan:** There is a Department of University Affairs.

**Mr. Chairman:** The member for Sudbury was talking about the formation of a new government, if I was understanding correctly from the chair.

**Mr. Sopha:** I cannot think of anything more germane than that.

**Mr. Chairman:** It is no part of The Department of Mines estimates.

**Mr. W. Newman:** Do not count yourself in.

**Mr. Stokes:** I have something I would like to ask the minister about a subject that is very near and dear to his heart, that he is very well aware of and familiar with.

**An hon. member:** You mean there is one?

**Mr. Stokes:** That is the Design for Development in northwestern Ontario, in which they undertook to provide a minimum of 18,000 jobs over the next 20 years. Among those 18,000 jobs there will be 2,000 to 3,000 in the mining industry. I asked your colleague, the Minister of Lands and Forests, if he had anything to do with the input, the information, the survey that was undertaken to come up with those 69 recommendations in the Design for Development—Phase 2 for Northwestern Ontario.

**Mr. Martel:** We have 83; we outdid you.

**Mr. Stokes:** There are about 5,000 jobs, a minimum of 5,000 jobs to be created in the forest industries and 2,000 to 3,000 in the mining industry. Now did they pick these out of the hat the same way as they did the 5,000 jobs for the forest industry or did they consult with anybody in your department? What was the rationale for the choosing of the figure that would be a realistic objective with regard to provision of bigger employment opportunities in northwestern Ontario over the 20-year period?

**Hon. Mr. Bernier:** This was entirely, as I pointed out earlier, by The Department of Treasury and Economics of course—

**Mr. Allan:** Mr. Chairman, with the expansion of Sudbury alone, have they not already taken on a considerable percentage of those 2,000 men already?

**An hon. member:** Certainly.

**Mr. Stokes:** I would like to point out for the benefit of the member who has just spoken, I am sorry I do not know his name—

**Mr. Sopha:** The member for Haldimand-Norfolk.

**Mr. Stokes:** The member for Haldimand-Norfolk, that over the past eight years in northwestern Ontario there has been a net decline of 870 jobs in the mining industry. Now this is the area we are talking about. I am not talking about Sudbury or Port Colborne; I am talking about the Design for Development for northwestern Ontario. They say it is realistic to assume that we can provide, foster, generate, 2,000 to 3,000 more jobs in the mining industry over the next 20 years in northwestern Ontario. You said The Department of Treasury and Economics came up with the figures. They did not sit

with their heads in a rain barrel down here and say, "Let us come up with a bunch of figures—"

**An hon. member:** I would not be too sure that they did not.

**Mr. Stokes:** "—that will suit the people in northwestern Ontario." I am told that they spent \$140,000. I know the author of this report quite well, and I know that it is based on information that was given to them by this department. How did you arrive at the 2,000 or 3,000 jobs that are anticipated over the next 20 years?

**Hon. Mr. Bernier:** Do we have any comment to make?

**Mr. Douglass:** I think perhaps the figure includes the new mines coming in. For every miner who works in the mine they provide backup and services for four to five. It is quite a reasonable estimate.

**Mr. Stokes:** No, that is not what the Design for Development said. I can quote you chapter and verse from the number of jobs that are going to be created in the related industries. It says there will be 2,000 to 3,000 jobs in the mining industry; 4,000 to 6,000 jobs in the forest products industries; so many jobs in the tourist industry; so many jobs in the services industries—

**Mr. Chairman:** You have had enough—

**Mr. Douglass:** For four to five and connected with mining it has to be. This is a standard.

**Mr. Stokes:** I am talking about the 2,000 to 3,000 new jobs that will be created by increased development and exploitation of our mineral resources. There are 2,000 to 3,000 earmarked specifically for the mining industry.

**Hon. Mr. Bernier:** What has happened in northwestern Ontario in the last year or two, I think, reassures me that this figure—

**Mr. Stokes:** There has been a decline in jobs.

**Hon. Mr. Bernier:** I do not agree with you.

**Mr. Stokes:** I am telling you that—

**Hon. Mr. Bernier:** I do not agree with you! I entirely do not agree with you.

**Mr. Stokes:** This is what the Design for Development says. Please read it.

**Hon. Mr. Bernier:** I do not agree with those figures, because what has happened in northwestern Ontario in the last year—

**Mr. Stokes:** This is a report offered by this government, of which you are a part.

**Hon. Mr. Bernier:** Since that report has been tabled, there have been exciting things happening in northwestern Ontario, in case you are not aware of them.

**Mr. Stokes:** Yes, there has been a net decrease in jobs in the mining industry!

**Hon. Mr. Bernier:** I am confident this figure will be reached.

**Mr. Stokes:** Look what has happened since. We lost a gold mine and we will lose seven more—

**An hon. member:** Look at the new discoveries!

**Another hon. member:** Sturgeon Lake, Shebandowan, South Bay Mines—

**Mr. Chairman:** Is vote 1301 carried?

**Mr. Stokes:** No, it is not carried. I want some damn answers here. Employment opportunities are the major goal of the plan and it started as a minimum of 18,000 jobs in these areas of industrial activity; 2,000 to 3,000 new jobs in mining; 4,000 to 5,000 new jobs in pulp and paper; 4,000 to 6,500 new jobs in manufacturing; 8,000 to 10,000 new jobs in service industries including tourism. Now where are we going to get the new jobs in the mining industry when we have had a net decrease in job opportunities in that industry in northwestern Ontario over the past eight years?

It being 6 o'clock, p.m., the committee took recess.

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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Mines and  
Northern Affairs

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

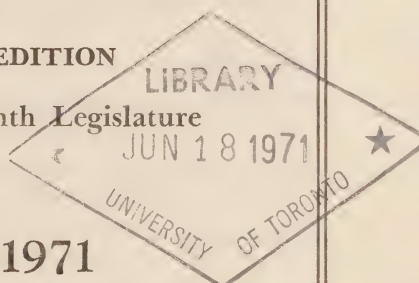
Monday, June 7, 1971

Evening Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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# LEGISLATIVE ASSEMBLY OF ONTARIO

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MONDAY, JUNE 7, 1971

The committee resumed at 8:10 o'clock, p.m.

## ESTIMATES, DEPARTMENT OF MINES AND NORTHERN AFFAIRS

(continued)

**Mr. J. E. Stokes** (Thunder Bay): Mr. Chairman, I want you to advise me where I would discuss Sogepet.

**Hon. L. Bernier** (Minister of Mines and Northern Affairs): So—what?

**Mr. Stokes**: You see? The minister learns something almost daily.

**Hon. Mr. Bernier**: I should take you on my staff.

**Mr. Stokes**: Where do I discuss that?

**Hon. Mr. Bernier**: What is it?

**Mr. Stokes**: It is an exploration company called Sogepet.

**Hon. Mr. Bernier**: What is it?

**Mr. Stokes**: Oil and gas exploration.

**Hon. Mr. Bernier**: It is on the next vote.

**Mr. Stokes**: The next vote? Okay.

**Mr. Chairman**: It is two votes yet, Mr. Stokes.

**Mr. Stokes**: Where do we discuss mining revenue payments?

**Mr. E. W. Martel** (Sudbury East): On the first vote?

**Mr. Stokes**: Is the minister satisfied that the new schedule of payments to the mining municipalities is equitable when you consider some of them like Balmertown, in his own riding, which is decreased by \$46,000? Are you convinced that there will be compensating grants, say, by way of education?

**Hon. Mr. Bernier**: Yes. The way it has worked out—I do not know if you have run into the aspects of the various formulas. But the educational grants now are paid directly

to the board, an equal amount. What Balmertown is receiving now is over and above what it received last year.

**Mr. Stokes**: So it actually compensates for it?

**Hon. Mr. Bernier**: It has actually increased the portion to the municipality as such. Over the next three years, of course, it is going to increase more.

**Mr. Stokes**: Do I understand the statement made by the Minister of Municipal Affairs which says that nobody, but nobody, will be short-changed as a result of this vote? That we could get as much or more?

**Mr. Bernier**: That is right. It is frozen at that level. From here on in we go up.

**Mr. Stokes**: Yes, okay. With regard to oil exploration and anything like that, that is in the next vote, eh?

**Mr. Chairman**: That is what I understand. That is the next vote.

**Hon. Mr. Bernier**: Yes, geological services.

**Mr. D. P. Douglass** (Deputy Minister): The gas and oil may be in a later vote.

**Hon. Mr. Bernier**: The second. Two votes away. Yes, geological services.

**Mr. Douglass**: But this is gas and oil the member is talking about.

**Hon. Mr. Bernier**: Is this specific?

**Mr. Douglass**: That is out in Hudson Bay he is talking about; that is gas and oil—

**Mr. Stokes**: That is just one of them. I wanted to know specifically where it comes, but I want to know about all exploration because I want to refer to an editorial as a result of statements that the minister made in northwestern Ontario. It says "New Hope is Expressed for Northwest Mining." Is that under the next vote?

**Hon. Mr. Bernier**: I think we could handle it under this vote, Mr. Chairman.

**Mr. Stokes**: All right. I want to—

**Hon. Mr. Bernier:** It is very broad coverage.

**Mr. Stokes:** Yes. I want to refer to the editorial that appeared in the News Chronicle of May 5, 1971. It says:

The suggestion made here last week-end by mines minister Leo Bernier that the government may take a more active role in actual prospecting and discovery of minerals should be of great interest in northwestern Ontario, where it has long been felt the full potential of mining has never even come close. There have been some notable mine developments, and still are, but long-term observers are certain that the pre-Cambrian shield hereabouts holds tremendous riches which have not yet been found.

Mr. Bernier comes from Kenora and is well acquainted with the world of mining so he would be just as interested as anyone to see this part of the province come into its own. Northwestern Ontario, which includes Sudbury and Timmins—

I do not know how they deduce that!

—is loaded with tremendous producing mines and the topography there is similar to that further west. It is simply that more stress has been put on the eastern part. Mining in the past has been largely a big company affair and many suspect that known or indicated deposits are kept under a lid until certain conditions are favourable.

The existence of good nickel ore at Shebandowan, where a mine is just now about to come into production, has been known for more than a quarter of a century. Northwestern Ontario needs new jobs now and refineries which should go along with major mining developments, and if government can push these things along, it should do so.

Do they read you correctly in your speech that they referred to?

**Hon. Mr. Bernier:** The reference to the government getting involved in prospecting is not exactly correct. I think this is what we discussed last Thursday, where we had discussed within my department—I think the Leader of the Opposition (Mr. Nixon) went into it in some detail—that we are looking at the specific areas that need an extra little incentive. This is something that the deputy minister was involved with in discussions with the federal government.

**Mr. Stokes:** Do you believe what they say? That hundreds of millions of dollars will be

spent in the next few years on the search for new ore deposits, development of new mines and the expansion of existing operations, and some of this should rightfully come to the northwest? Obviously you would have to—you would be against motherhood if you did not agree with that statement!

**Hon. Mr. Bernier:** Yes. That is right.

**Mr. Stokes:** What do you propose to do to foster that kind of development in that area?

**Hon. Mr. Bernier:** The thing is, first of all, our road programme and incentives—

Interjection by an hon. member.

**Hon. Mr. Bernier:** That is right. The geological surveys that we are doing of northwestern Ontario, the Winisk area in particular, the new helicopter air service that we have there and the very detailed study of that particular area. We have increased the geological surveys in northern Ontario and northwestern Ontario, in particular. These are all things that will tie in, and I am hopeful we will have some other things to come up with.

**Mr. Stokes:** Can any of these new finds that are coming onstream now be attributed to the programme that was initiated by the department? Are there any specific ones?

**Hon. Mr. Bernier:** Oh, I think the Texas Gulf find at Timmins was part of—

Interjections by hon. members.

**Hon. Mr. Bernier:** —the study of the compilation maps prepared by this department.

Interjections by hon. members.

**Hon. Mr. Bernier:** This is very true. It was the start of it. Stelco Explorations was a result of the aeromagnetic surveys that were done in northwestern Ontario. And Manitouwadge and Thompson.

**Mr. Stokes:** By the department?

**Hon. Mr. Bernier:** By the department, yes.

**Mr. Stokes:** So you think that more of this will foster the kind of development that will bring northwestern Ontario into the mainstream of things?

**Hon. Mr. Bernier:** I would hope so, yes.

**Mr. Stokes:** You do not think any further action need be taken?

**Hon. Mr. Bernier:** Well, there may be new ideas. If you have new ideas, we would like to hear from you.

**Mr. Stokes:** I am always giving you good ideas.

**Hon. Mr. Bernier:** Well, I do not know if they are always good.

**Mr. Stokes:** But you never listen.

**Hon. Mr. Bernier:** Oh yes, we do. Do not say that. We always accept those ideas with a great deal of interest. And they are very closely examined.

**Mr. M. Makarchuk (Brantford):** No, with your ideological hangups, you cannot accept them.

**Hon. Mr. Bernier:** No, sir. I must inform you that we have a "new wave" government now at Queen's Park.

Interjections by hon. members.

**Hon. Mr. Bernier:** We are open to your suggestions. These discussions are going on within the department all the time. Certainly I would hope to intensify them, particularly in the field of exploration.

**Mr. Stokes:** Do you think you have enough money?

**Hon. Mr. Bernier:** No.

**Mr. Stokes:** How much more would you like?

**Hon. Mr. Bernier:** All I can get my hands on.

**Mr. Stokes:** Like what?

**Hon. Mr. Bernier:** There is no figure; I could not put a figure on it. I noticed one of the newspapers was quoted as saying \$5 million, \$10 million or \$15 million—if I could get my hands on that, so much the better. But I am afraid I might have some difficulty.

**Mr. Martel:** Two and three quarter million dollars a year now, have they not?

**Hon. Mr. Bernier:** I am going to make every effort to get as much as I can, I can assure you of that.

**Mr. Makarchuk:** But you are flying IFR with absolutely no instruments.

**Hon. Mr. Bernier:** No, I do not think so.

**Mr. T. P. Reid (Rainy River):** No IFR equipment, either.

**Mr. Chairman:** Has Mr. Stokes finished? Shall vote 1301 carry?

**Hon. Mr. Bernier:** Before we go off this—for once I will stop the vote—I was referring to the incentive programme of the federal government which the member for Sudbury (Mr. Sopha) so clearly brought out. I wish he were here now.

**Mr. T. P. Reid:** He is in The Department of Financial and Commercial Affairs estimates.

**Hon. Mr. Bernier:** I spoke of the green dot programme that the federal government has brought across this province.

**Mr. R. Haggerty (Welland South):** Yes, but they have a red dot one too.

**Mr. R. S. Smith (Nipissing):** They have three different programmes.

**Hon. Mr. Bernier:** They have three? Well, we are aware of only two.

**Mr. T. P. Reid:** Well, it does not surprise us that you are not aware of what is going on.

**Hon. Mr. Bernier:** This is one for primary industries; this is why we say we are being discriminated against by the federal government. See how many green dots there are in the Province of Ontario. Compare that with Quebec.

**Mr. R. S. Smith:** But that has nothing to do with the grant that was made for that.

**Hon. Mr. Bernier:** Yes, it does.

**Mr. R. S. Smith:** No, it does not; it could be made under the other programme just as well.

Interjections by hon. members.

**Mr. W. Ferrier (Cochrane South):** Mr. Chairman, how is it that Texas Gulf was able to get a large loan under this area incentives programme but you say that Falconbridge could not?

**Hon. Mr. Bernier:** You keep changing the rules on us all the time. This is the latest one right here.

**Mr. Martel:** You had better make an application, they might have changed the rules again.



**Hon. Mr. Bernier:** I do not think it is up to our department to make an application. The company is looking for the best deal possible, as you very clearly point out.

Interjections by hon. members.

**Mr. Ferrier:** How can you be satisfied with northern Ontario being under that programme?

**Hon. Mr. Bernier:** I am not satisfied with it at all; this is a federal programme.

**Mr. Ferrier:** What representations are you making to Ottawa then?

**Hon. Mr. Bernier:** Well, we are going to make a lot more of them. These people will not even listen to us. Look at the rest of Canada—western Canada.

**Mr. Ferrier:** I am telling you that people in my riding are under the impression that they are still on this—

**Hon. Mr. Bernier:** This is the one you are referring to; this is the secondary industry.

**Mr. Ferrier:** That is primary.

**Mr. Haggerty:** Well, smelting is secondary.

Interjections by hon. members.

**Mr. R. S. Smith:** The one in Quebec that was made to Falconbridge is the same as the one that was made to Texas Gulf in Timmins.

**Hon. Mr. Bernier:** This is the situation as it is, and this is why we say that there is discrimination.

**Mr. Ferrier:** Then the north is covered on that? Most of the north would have qualified for that loan in secondary industry then?

**Hon. Mr. Bernier:** It is very difficult; we are trying in Kenora at this very moment.

**Mr. R. S. Smith:** Mr. Minister, the difference between that programme with the green dots and this one is the fact that under the green dot programme they will go into the provision of services to an area as well. It does not actually have to be a primary industry to qualify under that.

**Hon. Mr. Bernier:** This is our impression and this is our information.

**Mr. R. S. Smith:** There is a difference in the two programmes. Under that ground map programme, Falconbridge could have qualified in Blind River or Parry Sound or Sturgeon Falls.

Interjections by hon. members.

**Mr. Haggerty:** Timmins qualified.

**Mr. J. N. Allan (Haldimand-Norfolk):** If they changed the rules—

**Mr. Ferrier:** I am not sure about that; I question that.

**An hon. member:** A smelter is not a secondary industry.

**Mr. Haggerty:** Certainly it is.

**An hon. member:** It is not.

**Mr. Haggerty:** Certainly it is; mining is the first.

**Mr. W. Newman (Ontario South):** Mr. Chairman, may I ask the minister if any part of Ontario would qualify for what Falconbridge did down in Quebec?

**Mr. Douglass:** Yes, Renfrew.

**Mr. W. Newman:** Only in Renfrew? Why?

**Hon. Mr. Bernier:** That is the only green dot area they have: it is designated.

**Mr. W. Newman:** That is the only area in the Province of Ontario?

**Mr. A. Carruthers (Durham):** Why would they not be eligible?

Interjections by hon. members.

**Hon. Mr. Bernier:** They were not considered for assistance under that type of programme.

**Mr. Chairman:** Vote 1301 carried? Mr. Martel.

**Mr. Martel:** I think Mr. Lee and I got straightened out somewhat over the supper hour and agreed that the share from the province was in the neighbourhood—and I do not want to misquote him or myself—about \$30 million or \$32 million from the mining industry, not \$61 million; that is just to get that straightened out. I was left with the impression it was \$61 million, but we finally got it straightened out.

**Mr. B. C. Lee (Director, Finance and Administration Branch):** I have to clarify that. The figure that was being quoted was the share from the federal government and the province's—

**Mr. Martel:** Right, and I was talking about the province's total share from the mining

industry, which is about \$31 million or \$32 million.

One point, Mr. Minister: in the mining revenue payments, it is interesting that the Minister of Municipal Affairs (Mr. Bales) said he was going to cushion against any sharp changes both upward and downward in the size of the payments to the various municipalities. I am just wondering which municipality asked that it be cushioned against the upward increase in the amount it would receive. Was there some such municipality that would have asked the Minister of Municipal Affairs to cushion it?

**Hon. Mr. Bernier:** I am afraid you will have to ask the Minister of Municipal Affairs.

**Mr. Martel:** It does not sound like a very logical explanation, does it? In fact, it sounds rather sick.

I just want to question one point: what are the losses to the various municipalities?

**Hon. Mr. Bernier:** There were no losses.

**Mr. Martel:** Well, the amount they will receive—what is the difference in what they would have received in 1971 as opposed to 1970?

**Hon. Mr. Bernier:** Basically the amount they will receive for municipal purposes remains the same or higher, except the education grant was paid directly. This is where the confusion came in.

**Mr. Martel:** Right. But the total will be the same?

**Hon. Mr. Bernier:** No municipality received less.

**Mr. Martel:** Right. The total will be the same, but directly from the mining industry—not the mining industry—but the provincial taxes will be somewhat less in the form of mining revenue payments.

**Hon. Mr. Bernier:** How is that? You just lost me there.

**Mr. Martel:** The total amount any municipality will receive from all sources will be the same; so there will be no loss suffered.

**Hon. Mr. Bernier:** Or more.

**Mr. Martel:** Or more.

**Hon. Mr. Bernier:** Right. And it will escalate for the next three years.

**Mr. Martel:** Right. Why would you not introduce it in one year? Why would you not give the whole amount to the mining municipalities in one year to assist them? They have higher costs in every field—in a place like Sudbury, for example, you have to blast for everything you do, sewers, water, the whole bit. They could have used that for road improvements and so on that have been sadly neglected.

**Hon. Mr. Bernier:** Mr. Lee, do you know if there is a reason for this?

**Mr. Lee:** Well, it was partly to ease it in. The new formula for payments to mining municipalities was set on the basis that the municipalities which had processing plants in them would be allowed to tax the processing plants in the ordinary way of real estate, or commercial property. The idea of the new formula was to gradually work it in according to the tax loss due to the straight mining operation, as opposed to the processing.

**Mr. Martel:** What about the increase, though?

**Mr. Lee:** The increase that will gradually take place is to ease the thing in and from the standpoint of the municipalities which were not formerly allowed to tax the processing plants they would be getting a great big boon if the thing was—

**Mr. Martel:** Right, no one would have objected, that is the point I am making. Do you think some municipality that was going to get an extra \$50,000 a year, or \$100,000 over three years, would not have sooner got it the first year? The plan would not have bothered them for a change.

**Mr. Lee:** Oh the pain would not—

**Mr. Martel:** The ecstasy of getting an extra amount to offset the costs that they have incurred over the years would have been sheer delight for most of those municipalities, who were going to get a plus for a change.

**Mr. Lee:** I think that the payments to the mining municipalities, before the processing plants were allowed to be taxed, were very reasonable in the light of the loss of commercial taxation that they had.

**Mr. Ferrier:** If I could just comment here—

**Mr. Haggerty:** Were these properties ever assessed under The Real Estate Act—under The Assessment Act?

**Mr. Lee:** Not until 1970.

**Mr. Haggerty:** They will not be assessed until—

**Mr. Lee:** They were assessed in 1970. That is the first year.

**Mr. Haggerty:** That is the first year?

**Mr. Lee:** That is the first year they paid on the processing plants.

**Mr. Ferrier:** On this same point, it is my understanding that the mining municipalities are now going to have to submit their budgets to The Department of Municipal Affairs. The reason they are phasing it in over a three-year period is so that Municipal Affairs can exercise some restraint on them and make sure that they do not go hog wild, I suppose, the first year or so.

I am not sure how the northern municipalities are going to go for greater central control over their operations. I think that there is a loss of autonomy here that major decisions are going to now have to be okayed more than ever by Queen's Park. But my understanding, as it was conveyed to me the night that this formula was announced in Schumacher, is that rather than give the grants all in one year and let their budgets go away up and get out of control, they were going to phase it in so The Department of Municipal Affairs could exercise constraint and control over their spending in the municipalities.

**Hon. Mr. Bernier:** This is a matter for The Department of Municipal Affairs and I think maybe you should bring it up on one of their votes.

**Mr. Martel:** What happens to the autonomy that you people are always talking about for the municipalities? Self-government—what happens to that then?

**Hon. Mr. Bernier:** They have pretty good autonomy. The mining revenue payments since 1965 have increased over \$4 million.

**Mr. Martel:** When you have got to come to Queen's Park to get approval for your next year's budget, do the municipalities in southern Ontario do that?

**Mr. Carruthers:** Yes, yes.

**Mr. Martel:** They all come here?

**Mr. Haggerty:** They have to be approved by The Department of Municipal Affairs—every budget.

**Mr. Martel:** You do not have much faith. You are not like the odd minister who gets up and says, "I have great faith in the people to rule their own roost." You come along with a statement like that that they will go hog wild.

**Mr. Lee:** If you had lived through the depression—

**Mr. Carruthers:** Some bitter experiences.

**Mr. Martel:** Thank God I did not live through the depression, I have been hearing about the depression since I was that old. I was told that I had "better eat right because in the depression they starved."

**Mr. W. Newman:** That is right.

**Mr. Lee:** There were municipalities going bankrupt and this is one of the reasons The Department of Municipal Affairs took over.

**Mr. Martel:** You know, Chapeau has been under your wing now for years and it has a representative from the Tory party and three years ago they were bankrupt and that was not in the depression years either.

**Mr. T. P. Reid:** Mr. Chairman, on a point of order, I suggest the civil servants are here to provide the information and not to pass judgements on other things.

**Mr. Chairman:** I would suggest, Mr. Reid, that we are getting off the subject. We are speaking about Municipal Affairs, and I do believe it is The Department of Mines and Northern Affairs we have before us. Mr. Stokes is the next one on the list.

**Mr. Haggerty:** It is taxation.

**Mr. Stokes:** Yes, the minister is quoted as having said that "government aids and incentives to Ontario prospecting exploration and mining industries are woefully inadequate." And he said that the great bulk of what he would like to see right here is \$10 to \$15 million: "the great bulk of that I would like to see used for exploration and research in mining, which we feel would increase the incentive for prospectors." That was a direct quote from the minister.

**Mr. Martel:** Is it out of context?

**Hon. Mr. Bernier:** They always are. I do not follow newspaper reports.

**Mr. Stokes:** The minister, I suppose, is well aware of the fact that there is only \$64,000 available in these estimates of over \$12



million for research and \$35,000 of that, or over half of it, is for research in mine safety? Do I take it from that that your predecessor did not put any emphasis on research or do you consider electromagnetic and geophysics services as research?

**Hon. Mr. Bernier:** There are new techniques, of course, coming up all the time, that hopefully they can be involved with.

**Mr. Stokes:** Do you engage any of these mining schools to conduct research on behalf of this department, or is the \$64,000 that I have made a rough calculation of, is that the total input to research by this department and over half of it in mine safety?

**Hon. Mr. Bernier:** That comes under vote 1303.

**Mr. Stokes:** The reason I am asking now is that there is no provision in vote 1301 for research, and I am wondering why. This is the departmental administration programme, and yet at head office there is really no basic research being done at all.

**Hon. Mr. Bernier:** No, there is no vote here. No funds are available for research.

**Mr. Stokes:** In other words, this is one of the things we can look to as a change—

**Hon. Mr. Bernier:** I am going to examine this possibility, yes.

**Mr. Stokes:** —because you say it is woefully inadequate and would like to see the greater bulk of any additional moneys coming for research.

**Hon. Mr. Bernier:** I will make every attempt, certainly I will.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** I just want to follow up the question asked here before by the member for Sudbury (Mr. Sopha) about taxation on mines or smelters and so on. As I understand it the minister said there was no assessment made on these buildings or plants or facilities until 1970?

**Mr. Lee:** I said 1970.

**Mr. Haggerty:** And who made the assessment?

**Mr. Lee:** Municipal Affairs went around. They tried to make a uniform assessment of all the processing plants in the province.

**Mr. Haggerty:** You say “tried to make.”

**Mr. Lee:** This is what their aim was, it was to make a uniform assessment based on the commercial value of the plants, and I am sure they did a good job of it.

**Mr. Haggerty:** Were there any appeals by companies?

**Mr. Lee:** Yes, there have been. I have heard that there have been appeals, but I do not know how many, because this is not our department. But I am quite sure that there have been appeals on the basis that some people think that their concentrators are not processing plants and that kind of thing.

**Mr. Haggerty:** It is the same argument then, is it not?

**Mr. Lee:** Yes, but if they go to court they will lose these arguments.

**Mr. Martel:** What happened to the revenue during those years?

**Mr. S. Lewis (Scarborough West):** By way of information, Mr. Chairman, have not the companies been sustained in the appeals thus far in the majority of cases? On the smelter appeals?

**Mr. Lee:** The International Nickel Company in 1957 or 1958 lost an appeal on the basis that—at least, they won the appeal I should say; the municipality lost it. Waters township had claimed that the iron ore plant in Waters township was not a concentrator. The nickel company went to court over that and they argued it and they won the case that it was a concentrator and for that reason it was exempted from tax.

The Assessment Act at that time said that the mine or mine working or the buildings connected with the mine or any concentrators on the properties were exempt from taxation.

**Mr. Lewis:** But as I understand it, since the new law, when the new mining revenue payments have been apportioned and the assessment has been broadened, the companies are also appealing these assessments. Dome has, for example.

**Mr. Lee:** Some of them are, there is no question about it.

**Mr. Lewis:** I fail to understand that. It is a provincial piece of legislation, is it not?

**Mr. Douglass:** Most of them are governed by gold mines or those concentrators that are closed down.

**Mr. Lee:** Some of the iron mines, too, are arguing—

**Mr. Lewis:** Dome is a well-functioning mine, as I understand it.

**Mr. Douglass:** I beg your pardon?

**Mr. Lewis:** Dome is a well-functioning mine, is it not?

**Mr. Douglass:** They could not exist without EGMA. EGMA is their existence.

**Mr. Ferrier:** McIntyre appealed theirs and they were sustained by the court of revision. The Department of Municipal Affairs had to take it to the district court. I do not know what decision has been made there.

**Mr. Lee:** You mean in this last year?

**Mr. Ferrier:** Yes.

**Mr. Lee:** I did not hear of that case but they will be sure to lose because there is no question that the processing plants are subject to taxation.

**Mr. R. V. Scott** (Director, Mining Lands Branch): They may have been appealing the amount of it.

**Mr. Lee:** Well, the amount, this is another—

**Mr. Douglass:** Particularly the gold mines. It hit them hard.

**Mr. Martel:** My understanding is it is more than the gold mines, to me it is the major corporations that have had the assessment.

**Mr. Chairman:** The minister has a clarification here he would like to make.

**Hon. Mr. Bernier:** I think, gentlemen, this might be out of our jurisdiction, as I said earlier, and not within the realm of this department. But I said I would get some figures for housing in the Sudbury area, and an examination of the year-end report of the Ontario Housing Corporation to December, 1970, indicates they have 148 family units under construction, 550 in the preconstruction stage, 351 senior citizens' units in preconstruction stage; a total of 1,049 units. They have completed to date 517 family units and 70 senior citizens' units, for a total of 1,636 units.

**Mr. Martel:** If you have them all completed.

**Hon. Mr. Bernier:** Yes, well they will be.

**Mr. Martel:** There are 500 and some units in effect at the present time, Mr. Minister.

**Hon. Mr. Bernier:** But they are in the preconstruction stage.

**Mr. Martel:** Five hundred have just been announced, Mr. Minister, within the last three weeks—400 family units and 100 senior citizens' units.

**Hon. Mr. Bernier:** You have asked about Inco. We checked on this and—

**Mr. Martel:** Oh, Inco has some financial contribution and profits for itself.

**Hon. Mr. Bernier:** No, Inco owns 230 housing units in the Copper Cliff, Lively, Levack and Coniston areas, and now they are embarking on a system of guaranteeing mortgages.

**Mr. Martel:** I said they were financing them.

**Mr. Lewis:** How long did they own those houses?

**Hon. Mr. Bernier:** I do not know.

**Mr. Lewis:** Well somebody in your department does?

**Hon. Mr. Bernier:** No, I gathered this information myself. This is out of our department completely.

**Mr. Martel:** What about Falconbridge and their 500 homes for last year that you talked about this afternoon?

**Hon. Mr. Bernier:** I do not have those figures yet.

**Mr. Douglass:** Not last year, no. They built 500 homes for their employees.

**Mr. Martel:** Which employees?

**Mr. Douglass:** Falconbridge! Go out in the Levack area.

**Mr. Martel:** I have been there a number of times. Onaping is a community town, you know, it is a mining town. Onaping is an improvement district, I know it well. We are talking about the 4,000 people still on the waiting list for houses right now, including 1,000 men at Inco staff village. There are people living in tents right now and in buses and living in the back of a station wagon—you know, a woman and four kids; great statistical stuff.

**Mr. Douglass:** Still as large as they have in Sudbury.

**Mr. Martel:** Four thousand units.

**Mr. P. J. Yakabuski** (Renfrew South): Mr. Chairman, the hon. member said there were no job opportunities up there. Now we are told they are living in tents, in the back of station wagons, and all over the place.

**Mr. Martel:** I think the member, wherever he comes from—no one suggested that there were no job openings in Sudbury, there are all kinds of openings, but there is no accommodation.

**Mr. Yakabuski:** For two days—

**Mr. Martel:** Would someone tell this member to get on the right track. Just once in a while, get on the track.

**Mr. Carruthers:** He is right.

**Mr. Yakabuski:** You were telling us all day Thursday there were no job opportunities.

**Mr. Ferrier:** Nobody said there were no job opportunities.

**Mr. Yakabuski:** The member for Sudbury East said on Thursday, he spoke for the whole afternoon.

**Mr. Martel:** You are as squirrely as ever. You could not get anything right if you tried.

**Mr. Chairman:** We are getting off on the wrong track here.

**Mr. Martel:** Well would you get this monolithic—

**Mr. Chairman:** I was not here Thursday and I do not know what you were discussing on Thursday, but Ontario Housing is certainly not within this department. Mr. Lewis has the floor.

**Mr. Lewis:** Mr. Chairman, we have problems in dealing with the department, obviously, because it is Mines and Northern Affairs. Northern Affairs necessarily encompasses everything north of Richmond Hill, or so most of the members of this committee are persuaded.

**Hon. Mr. Bernier:** No, this is something that should be clarified. I think I have clarified it three or four times.

**Mr. Lewis:** I understand that you have 25 information officers, some of whom deal with complaints from Ontario Housing, some of whom look for houses for people.

**Hon. Mr. Bernier:** They do everything, they provide information—

**Mr. Lewis:** Which frankly makes it fair game.

**Hon. Mr. Bernier:** —on all departments. My jurisdiction covers the 25 Northern Affairs officers and the 31 satellite officers. I mean this is what it is, it is an information section of the department. I am not responsible for the Ontario Housing Corporation in northern Ontario.

**Mr. Lewis:** I appreciate that. Inevitably when a member of the opposition is dealing with the question of the mines and the jobs created in the mining sector and the problem, for instance, in Sudbury of finding houses for workers to live in who wish to work in the mines, then the question of housing rises. It is rather important, and it is particularly relevant because the minister does have more than a fair part of his portfolio so that he at least has an umbrella over these other aspects.

**Hon. Mr. Bernier:** Oh no, we are on a lateral basis. I am no umbrella for any department. I make that very plump and plain.

**Mr. Lewis:** You are a lateral minister and a service minister, and you are a consultant—

**Hon. Mr. Bernier:** That is right, we are on the same plane. I am not an umbrella for any other departments, not at all.

**Mr. Lewis:** You are the most linear minister in this cabinet, a man of some girth—

**Hon. Mr. Bernier:** That is a nice way to put it, I guess.

**Mr. Lewis:** —and I for one do not intend to be cowed by it.

I want to say something, Mr. Chairman. I have listened to some of this debate on and off. The minister in defending not so much his department because he is quite right, but in defending his colleagues, and some of his senior civil servants in coming to his rescue, are tossing figures around too frivolously. I want it to stop and I am going to try to have it stopped because I am a little weary of the ease with which numbers are tossed about without substantiation in this committee.

There is a point of irresponsibility beyond which one does not go, regardless of loyalties to ministers.

This whole nonsense this afternoon about the number of units of housing, for example,



in the Sudbury basin and what is available to the 3,000-plus families on the waiting list in that part of the province, is an exercise in irresponsibility when people play games with us. It is not the kind of thing about which one talks cavalierly of 500 units there, or with respect 230 units which Inco may have built, with a work force—

**Hon. Mr. Bernier:** Twenty-three hundred.

**Mr. Lewis:** You said 230.

**Hon. Mr. Bernier:** I said 2300.

**Mr. Lewis:** With a work force of over 16,000 now—am I right? Eighteen thousand now and an investment in that district for decades, not 1971 alone.

I just think it is a bit much the way in which the statistics are manipulated—2,000 is thrown out by the minister, probably in good faith. There are a lot of people in the Province of Ontario whose lives depend on something rather more substantial than good faith.

**Hon. Mr. Bernier:** I think this figure was corrected in my previous statements.

**Mr. Lewis:** I am glad it was corrected. I think it would probably be worth correcting almost every figure that has emerged thus far in the committee. I for one—

**Hon. Mr. Bernier:** If you are a little more specific we will be glad to go over those figures.

**Mr. Lewis:** We will be interested—well, when we get the Instant Hansard I would like to raise some of those specific figures.

I would like to ask the minister about his mining revenue payment. You indicated that no municipality would receive less. The Minister of Municipal Affairs said when he introduced it that "it is our intention to ensure that no taxpayers suffer by reason of any net deficiency in the amount paid to municipalities." "By reason of any net deficiency in the amount paid to municipalities."

In fact, the municipalities can receive less but the taxpayers, hopefully, by virtue of the reassessment and the change, may not suffer. It is a rather important distinction.

**Hon. Mr. Bernier:** Yes, well the municipality would be receiving less because the education grant was going direct. But the taxpayer would not be affected.

**Mr. Lewis:** But there is a difference, because even when one matches the two—the

1970 payments and the 1971 estimates—taking into account the amount of money which goes to the education boards directly from government now, it is still possible for some municipalities to receive less overall, and I want to make the additional point that in our minds, Mr. Minister, there is no legitimacy in the world for reducing the mining revenue payment to the municipality in total over 1970 just because you begin to subsidize the school board in a different way, through a different avenue.

The mining industry has never paid its way sufficiently in the province, even pretty tough Tories accede to that, and it seems unfortunate that by a manipulation of funds they necessarily will pay either less or a very similar amount, and indeed you are phasing it in over three years in a way which is highly complimentary to them.

**Hon. Mr. Bernier:** Which will be an increase over three years.

**Mr. Lewis:** Which will be an increase, but why you could not have increased it to the \$3 million in year one? Why you have to wait until year three?

**Hon. Mr. Bernier:** The Minister of Municipal Affairs is the one to answer this.

**Mr. Lewis:** You know what the Minister of Municipal Affairs said; he said it was to cushion municipalities against any sharp changes, both upwards and downwards, in the size of payment. Can you name a single municipality in Ontario that would object to a sharp increase in upward payment? Do you know of one? No, I do not know of one either. It is a most remarkable statement for a cabinet minister to make, that somebody will object to receiving additional funds from the mines.

**Mr. Allan:** Mr. Chairman, could I ask a question? Am I not correct in assuming that the province has a mining tax and this is not going down?

Mining companies, as I understand it, will be paying the same amount of money. The province would be interested in only paying to the municipalities the amount they need and using the other mining tax money for their own uses. Is that not right?

**Hon. Mr. Bernier:** That is correct.

**Mr. Martel:** Do you pay the mining municipalities what they need?

**Mr. Ferrier:** The north is subsidizing the south again.

**Mr. Allan:** This is the idea, that if they were to overpay with the mining tax money, the payment to the municipality is only one portion of the benefit of that mining tax. The other comes to the province and is used in the consolidated revenue fund to pay other things.

**Mr. Lewis:** But why? Why?

**Mr. Allan:** Just like any other tax.

**Mr. Lewis:** But why? Are the northern communities—

**Mr. Allan:** The mining tax was not made—

**Mr. Stokes:** That is like your water rentals in the Niagara Parks Commission.

**Mr. Allan:** No, the mining tax was not imposed just to pay grants to municipalities. It was imposed to provide revenue for the province.

**Mr. Martel:** Because we could not tax them.

**Hon. Mr. Bernier:** That is right, because it was an assessment.

**Mr. Allan:** It was proposed that part of it should be paid to the municipalities, but the balance—

**Mr. Martel:** But the municipalities are short of services in the north.

**Mr. Allan:** But the balance was used, as the province uses all the revenue, for any purpose.

**Mr. Lewis:** The mining revenue payments will, according to the minister, be \$700,000 less in the next fiscal year. The mining revenue payments.

**Hon. Mr. Bernier:** I do not remember saying that.

**Mr. Lewis:** That is what the Minister of Municipal Affairs said, and knowing you are such a congenial colleague I know you agree with him. The cost to the board, the money paid to the board of education, as I recall it, will go up \$1.1 million, so that the net gain is \$400,000. But mining revenue payments as such, to deprived northern communities, drops by \$700,000.

**Mr. Allan:** The purpose is not to deprive anyone of any money.

**Hon. Mr. Bernier:** You are twisting it.

**Mr. Lewis:** With respect, the north needs it more than the south. Ontario Place does not need it as much as housing in Sudbury needs it. It is a matter of your priorities.

**Mr. Allan:** Housing is another area. Mining grants do not build the houses except indirectly.

**Mr. Martel:** Do they provide sewers and water?

**Mr. Allan:** The money would go to whatever grant is made—

**Mr. Martel:** Then why has Sudbury never had a sewage plant? Why have they not got dumping disposal? They are being hauled into court right now.

**Mr. Ferrier:** Why are the streets in Timmins in a dilapidated condition?

**Hon. Mr. Bernier:** The local situation, the local people have—

**Mr. Ferrier:** The mining companies have never paid a fair share to the mining municipalities of this province, the municipalities have always been cheated on it. That is why we cannot provide the services and have the same level of standards as other municipalities which are not mining municipalities. It is as simple as that.

**Mr. Martel:** You know that, Mr. Minister, better than anyone.

**Mr. Lewis:** Mr. Minister, I wanted to return to the discussion which was held briefly just before 6 o'clock, about processing in Ontario, and I shall not belabour it. I wanted to ask the minister, since it is in his own domain, what specific proposals he has in mind to fulfil the policy recommendation of the northwestern Design for Development report to process ores in the northwest?

**Hon. Mr. Bernier:** I think the leader of the New Democratic Party is well aware that the Design for Development is still not government policy as such. To date it has been the input of all those people and all these organisations from northwestern Ontario. This is where it stands at the moment, and when it does become government policy all those programmes will be enunciated.

**Mr. Martel:** What happens as a result of this, then, Mr. Minister—which has been, as I understand it, adopted in principle—the Toronto-centred region plan? What happens

—if this principle which has been adopted—what happens to the Design for Development for northwestern Ontario, and the Design for Development of northeastern Ontario, if paragraph 4, page 4, of the Toronto-centred region, has been adopted in principle—what happens to the development of the primary resources in northern Ontario?

**Hon. Mr. Bernier:** Certainly you have a point. At that time when it becomes government policy I intend to bring that particular matter up—

**Mr. Lewis:** It is government policy. The Premier has indicated that the principles fixed in the Metro-centred region plan are now government policy. He is giving himself some latitude about the so-called middle zone, which is a southern problem, but he has indicated that the principles set out in that report are now government policy. He has affirmed it, and inherent in that—I remember it quite vividly—is that the ores will be shipped from northern Ontario for processing in the south to feed the north-eastern quadrant of North America and the quadrilateral made up of Chicago, St. Louis, and so on, as the verbiage of this particular document goes.

Now, is not the minister offended by that? I mean, who is there to protect the rights of northern Ontario? How can one tolerate the prospect of further ore shipped to the south to be processed when everyone in this committee—I assume government members too—has a very real sense that the north is not to be denied an infrastructure for ever? How does the minister feel about that?

**Hon. Mr. Bernier:** Like I said, when the Design for Development for northwestern Ontario becomes government policy, I will have my say.

**Mr. Martel:** It will be too late.

**Hon. Mr. Bernier:** No, this will be gone over by cabinet very closely.

**Mr. Martel:** But this is policy. What happens to that?

**Hon. Mr. Bernier:** I will look at it at that time; that is all I can say.

**Mr. Ferrier:** It will be too late then.

**Mr. Martel:** If this thing starts to develop the way they have planned it, by the time they start to implement this, the refineries and the smelters and secondary processing plants will already be built. What are you going to do then?

**Hon. Mr. Bernier:** I do not think it will happen that fast! After all, let us be reasonable.

**Mr. Martel:** No company starts to engage in long-time planning today and implement something tomorrow. The plans are five and 10 years ahead of their becoming a reality. I am sure if the companies are aware that this is the principle that is to be adopted, the places they are going to be choosing to set up their refineries or secondary processing plants in, will be decided long before you get around to deciding what this is going to do for northwestern Ontario.

**Hon. Mr. Bernier:** I have every confidence that the future of northwestern Ontario will be well looked after.

**Mr. Martel:** Come on!

**Mr. Lewis:** That may be. The minister has a certain vested interest in—

**Hon. Mr. Bernier:** Right.

**Mr. Lewis:** —one part of the northwest.

**Hon. Mr. Bernier:** No, I think of all of northwestern Ontario—northern Ontario.

**Mr. Lewis:** But what position are you putting? You know, these are legitimate things for us to raise. You have a government document whose premise is that increased amounts of ore will be shipped to the south to process.

I will say this in the presence of this committee, because I am not sure that the senior officials of The Department of Mines, forgive me, entirely appreciate what an enormous commitment has gone into this report. Not to the northwestern or north-eastern Design for Development; not to the midwestern, but to the Toronto-centred region, because this is where Ian MacDonald and Treasury and Economics and the provincial Treasurer have vested their entire reputation. On this report they will stand or fall. That report has within it inherently that ores come to the south.

As a matter of fact, there is a picture in that report—quite a bizarre little chart—which shows development corridors, arterial corridors, branching off from the Metro-centred region into all other places. Ten to 12 of those development corridors strike south to the United States; one of them goes in the direction of Ottawa-Montreal; one goes in the direction of Detroit-Windsor,



and two go in the direction of northern Ontario—a corridor to Sudbury and a corridor to the Soo.

It is all very graphically portrayed in this document. I want to know what is going to happen to northern Ontario in terms of the context of this document.

**Hon. Mr. Bernier:** I cannot elaborate any further than I have done already. I have just told you. I have given you my position that when this becomes government policy I will be there to make a say. I will be there to look after the needs of northern Ontario.

**Mr. Martel:** What have you done with this one then? What is your position?

**Hon. Mr. Bernier:** What else can I say about it?

**Mr. Makarchuk:** What did you say about this?

**Mr. Martel:** What have you said about this document so far then?

**Mr. Lewis:** There is a remarkable insult to the north in that document.

**Mr. Martel:** What have you said about this document then?

**Hon. Mr. Bernier:** I have not said anything about it yet.

**Mr. Martel:** I suggest you get about it because the decisions will be made. As I said, your predecessor in his first year managed even to get his picture in the mining report, two months after taking office. You have not been that successful. You are going to be left farther behind than him, you know. You are just going to have to get with it, and at the next caucus meeting or cabinet meeting, maybe, you had better put forth an objection to this principle that your colleagues have adopted as the future for Ontario.

**Mr. Lewis:** I see what is happening here. There is a certain etiquette in process. The minister will go back to his cabinet colleagues and say, "I want A, B, C and D to get the jackals away from nipping at my heels. I do not have to suffer the indignity of being abused by Lewis and others at the committee, Martel, Ferrier, Stokes et al." What the hon. member for Algoma-Manitoulin (Mr. Farquhar) said this afternoon about the essential nudity of the minister I thought was an extremely pertinent observation.

**Mr. Haggerty:** He has big shoulders.

**Mr. Lewis:** It must be kind of embarrassing to be so totally without clothes in one's portfolio.

Interjection by an hon. member.

**Mr. Lewis:** I want to come back. What about the recommendations in the analysis of the northeastern development report, for the—

**Hon. Mr. Bernier:** Here, again, this is only phase one. It is lower down the totem pole yet.

**Mr. Martel:** You want to believe it.

**Hon. Mr. Bernier:** As you well know.

**Mr. Lewis:** But it took five years. Think of the possibility of phase two.

**Hon. Mr. Bernier:** This should be brought up at Treasury and Economics when those estimates come up. That is the place to bring that up.

**Mr. Martel:** It will be. But we want to know what position you take.

**Hon. Mr. Bernier:** That is the place to bring that up. Check with that minister on government policy.

**Mr. Martel:** You are the Minister of Mines.

**Hon. Mr. Bernier:** The Treasurer is responsible for that particular report.

**Mr. Lewis:** Can your department tell us what percentage of ores, all ores, are processed abroad?

**Hon. Mr. Bernier:** Do you mean outside the Province of Ontario or outside Canada?

**Mr. Lewis:** Both. I am sure you have tabulated both. I am still a sufficient federalist to think that some processing should be done in provinces other than Ontario, although preferably in northern Ontario.

**Mr. P. J. Yakabuski (Renfrew South):** That is your stand then.

**Mr. Lewis:** The member for Sudbury East (Mr. Martel) will grant that Canada will also have processing other than in Ontario, that northern Ontario should help push it back.

**Mr. Martel:** I did not say that. How about the fact the member for Renfrew South (Mr. Yakabuski) backed off the other day when

you gave him a lesson last Wednesday on trucking. He crawled back in his hole.

Mr. Yakabuski: You have never come out.

Mr. Lewis: God help you if he does, because he can lacerate you from below ground.

Hon. Mr. Bernier: I have the percentages here for the Province of Ontario: copper, 14.67 per cent.

Mr. Lewis: Is what?

Hon. Mr. Bernier: Outside of Canada, processing.

Mr. Lewis: Do you have it for outside of Ontario?

Hon. Mr. Bernier: No.

Mr. Lewis: Just outside of Canada?

Hon. Mr. Bernier: That is right. Lead, 99.76 per cent.

Mr. Martel: The whole bundle.

Hon. Mr. Bernier: Zinc, 88 per cent; nickel copper mat, 3.5 per cent; silver concentrates, 2.71 per cent.

Mr. Douglass: That figure is changed now.

Hon. Mr. Bernier: Oh, yes, that is cobalt. It would be 100 per cent.

Mr. Douglass: We get silver from other—

Mr. Martel: Right. From the byproducts of the other thing. I got that information from Mr. Lee.

Mr. Lewis: And bitrium oxide is 100 per cent, I take it. Anything from uranium?

Hon. Mr. Bernier: Yes.

Mr. Lewis: Does that cover it?

Hon. Mr. Bernier: It is all I have here; yes.

Mr. Lewis: What about iron ore?

Mr. Martel: We import 52 per cent and export about the same amount. It is a trade-off, I guess.

Mr. Lewis: What is that?

Mr. Lee: It is low grade.

Mr. Lewis: How much can we process outside?

Mr. Lee: They have got the figure there—

Mr. Lewis: No, that was for nickel.

In the northeastern development report somewhere there a chart which indicates the export of iron ore, I think, for 1968.

Mr. Lee: The export of iron ore?

Mr. Lewis: I am sorry, the processing of ore abroad.

Mr. Lee: The exports of iron ore concentrates represents 52 per cent of the production. However, it should be noted that the Ontario steel furnaces imported from the U.S. 2,230,396 tons of raw ore or concentrates, so that the net export is only about 3.4 million tons, or approximately one-third of Ontario's production in 1968.

Mr. Lewis: Right, so that overall it is somewhere around 30 per cent or 35 per cent. How does that work? Explain that to me. Why is it that we import for processing purposes that much concentrate, when we have to export so much for processing purposes?

Mr. Douglass: I think that is one of the things where the change will be made in section 106 of The Mining Act. Already Algoma is going to the Mesabi Range to import ore, in spite of our northwestern Ontario ores that we have in abundance. We have overdone it as far as smelting and refining iron ores in this province. They are going to Quebec. The Steel Company of Canada and Dominion Smelters down in Hamilton are going to their Wabush operations, so that Ontario will really come out badly as far as iron ore is concerned. When we will get our next iron ore mine, I do not know, so that in section 106 The Mining Act in which you have to come to the government for a permit to ship ore out of the province will be changed.

Mr. Lewis: Right.

Mr. Martel: We have iron ore in abundance.

Mr. Douglass: Yes, we certainly have—200 million tons indicated.

Mr. Lewis: You are saying that the need to submit an application for processing abroad has prejudiced our iron ore industry?

Mr. Douglass: That is correct. You cannot get a board of directors who are going to put up \$60 million to \$50 million to come with their hat in hand to any government for per-

mission to ship their concentrates out of the province.

**Mr. Lewis:** Excuse me; why would they need \$50 million or \$60 million?

**Mr. Douglass:** To put in a concentrator and smelter. To produce one million tons of pellets is no longer economic in this province. You have to go to two, three or four million tons—Lake St. Joseph, for instance, that Steep Rock has been trying to get into operation, Algoma has turned it down for the present time and has gone to the Mesabi Range for their requirements starting in 1975. This is what we are doing with our section 106 of The Mining Act.

**Mr. Lewis:** This is all very interesting—\$50 million to \$60 million to build a concentrator.

**Mr. Douglass:** More than that.

**Hon. Mr. Bernier:** A pelletizer.

**Mr. Douglass:** Pelletizing plant.

**Mr. Lewis:** Pelletizing plant. How much has Algoma spent in its recent expansion?

**Mr. Douglass:** You are talking about the steel plant, are you?

**Mr. Lewis:** Expansion that is under way. What evidence have you had they would not, in fact, build the additional concentrator, simply because they are taking—

**Mr. Douglass:** We have had mining companies come and tell us—Jones and Laughlin from Kirkland Lake, Bethlehem from Marmora—when they finish out this, goodbye. As far as Ontario goes, we have the toughest regulations of any province in Canada, and we are starting to feel the pain now.

**Mr. Lewis:** Is there a market for our iron ore, if we were able to pelletize?

**Mr. Douglass:** Not locally. No, not domestically.

**Mr. Lewis:** What about internationally? Is there an international market for our ore?

**Mr. Douglass:** You have to have a captive market—steel mills.

**Mr. Lewis:** Yes, I understand that. Is there such a captive market?

**Mr. Douglass:** We have no monopoly.

**Mr. Lewis:** I appreciate that. But is there any other alternative? What you are saying is very interesting. If Algoma turns to an-

other range, and if the Steel Company of Canada and Dofasco do the same—go to other provinces—what you are saying is we close down those iron ore mining—

**Mr. Douglass:** We are not going to expand our capacity other than what little domestic people may use.

**Mr. Lewis:** It is even worse, though, is it not; because if they are turning elsewhere for their source, will there not be a gradual attrition?

**Mr. Douglass:** There could be.

**Mr. Haggerty:** Mr. Chairman, I thought one of the reasons why Dofasco and the Steel Company of Canada were relocating on Lake Erie was that they were going to get into the Canadian ore from the upper northwestern Ontario. One of the reasons was that they did not want to go through the Welland Canal and pay the tolls.

What you are telling me is that they are not going to be getting their iron ore pellets from northwestern Ontario so they will be picking it up from Ungava Bay, is that it?

**Mr. Douglass:** You mean the Steel Company? Of course, in all fairness, they have a large investment in that area, so what they are going to do—

**Mr. Haggerty:** The iron plant at Red Lake. That is part of the Steel Company of Canada, Griffith Mines, is it?

**Mr. Douglass:** Griffith Mines, that is right.

**Mr. Lewis:** What happens to the pelletizing in the northwest? What happens to the mines in northwestern Ontario under those circumstances?

**Mr. Douglass:** We hope we can maintain them at the present rate.

**Mr. Lewis:** You hope?

**Mr. Douglass:** As it worked out, your mines in Kirkland Lake are going to go by the board.

**Mr. Lewis:** The mines in Kirkland Lake are just going to go?

**Mr. Douglass:** The iron mines there. Yes, they have told us in no uncertain terms.

**Mr. Lewis:** Which one is that?

**Mr. Haggerty:** How about Steep Rock?

**Mr. Martel:** Caland?



Mr. Douglass: Caland will be through in five years.

Mr. Lewis: Caland will be through in five years? How many people will that affect?

Mr. Douglass: I cannot answer that.

Mr. Haggerty: How about Steep Rock?

Mr. Douglass: Steep Rock? Unless we can get Lake St. Joe, it does not look very good, because you cannot bring Lake St. Joe in under three to four million tons of pellets to make it a viable product.

Mr. Lewis: And what is Steep Rock producing now?

Mr. Douglass: They are a pelletizing plant—about one million and a quarter.

Mr. Lewis: One point five? One and a quarter?

Mr. Douglass: About that.

Mr. Lewis: And not likely to expand? Your prognosis for them is not good is what you are telling us.

Mr. Douglass: That is correct.

Mr. Lewis: Your prognosis for Steep Rock is not good and your prognosis for Caland is fatal, as I understand it.

Mr. Douglass: Well—

Mr. Lewis: A gradual fatality, if such things are possible.

Mr. T. P. Reid: Are the reasons the same in regard to Caland as they are in regard to Steep Rock?

Mr. Douglass: Caland will be out of ore—

Mr. T. P. Reid: Out of cheap, easy, accessible ore, you mean?

Mr. Douglass: Economical.

Mr. Martel: I understand there is a great deal more.

Mr. Lewis: This, to me, is not theoretical stuff. It is quite fascinating. The department is then faced with one of two policies, I take it—one of three policies.

Either it rescinds the exemption requirements of 106 for iron ore; or it somehow persuades, coerces, provides—dare I use the word—incentives of a kind to build additional concentrators; or, without wishing to have the minister lose his equanimity entirely, the

government itself might enter the mining industry by way of a public corporation and the building of a concentrator to which ores can be directed within Ontario.

Are you saying that we could not break the international cartels?

Mr. Douglass: There are not enough steel furnaces in Canada—in Ontario or in Canada—to take the pellets. If the province did have a Crown corporation and made all kinds of pellets, there would not be enough capacity in the steel plants to take them.

Mr. T. P. Reid: Surely the only alternative is to rescind that order?

Mr. Douglass: I beg your pardon?

Mr. Martel: Unless we increase the capacity of the steel mills.

Interjections by hon. members.

Mr. Douglass: Then we would not be able to sell the steel.

Mr. Martel: Now we get back to the real problem in this department.

Mr. Makarchuk: If you have some rationalization in your pelletizing plants, in other words, one plant could be supplying two or three steel manufacturers, this would be probably an efficient as well as an economical operation.

What you are faced with right now is each company has its own ore or pelletizing plant and consequently they are not really economically viable operations right now. It is not what you would say a lost case, but it might be the same as happened in the electronic industry where you have rationalization; certain manufacturers are getting out but others are concentrating in one place for manufacturing stereos or televisions. You would have the same thing in the pelletizing industry.

This is where, if the companies are not prepared to do it, surely a Crown corporation might be prepared or could do exactly that kind of job. Certainly, it could direct the local companies and steel plants in operation in Ontario—that this is where they will buy their ore.

Mr. Lewis: This obviously poses a very real threat. What is the department saying and doing about it? I gather from the innuendo of the deputy minister that what he says is this is what 106 is doing to us. I do not see him embracing 106 enthusiastically. I sense a certain distress in his voice.

**Hon. Mr. Bernier:** I suppose when it affects the iron industry that way it is—it has to—

**Mr. T. P. Reid:** Can the iron industry not be exempted from these?

**Mr. Douglass:** I think Algoma in their case, can get this ore from the Mesabi Range and import it cheaper than we can. They can go into a large viable operation in northwestern Ontario. This is what is happening, and 106 cannot be blamed for all that.

**Mr. T. P. Reid:** The economics—

**Mr. Lewis:** No, right. I understand that. But 106 extends beyond that, according to your information in talking about other—

**Mr. T. P. Reid:** Can you explain to us what policy or programmes you have to deal with this situation? Are you going to do away with 106 as it deals with the iron mining? Or what policy, if I can be parochial, are you going to come up with to guarantee the survival of communities such as Atikokan which depends on Steep Rock Iron Mines and Caland ore?

**Hon. Mr. Bernier:** As I said earlier, 106 is very desirable as it affects other ores, but when it comes to mining of course, we are going to take a very close look at it, especially the iron ore industry.

**Mr. T. P. Reid:** Are you contemplating an amendment to the Act—

**Hon. Mr. Bernier:** No, we are not contemplating anything.

**Mr. T. P. Reid:** —to remove iron ore?

**Hon. Mr. Bernier:** No. I have had no discussion at all.

**Mr. T. P. Reid:** I came down here tonight because I heard a rumour the minister was going to answer a question tonight.

**Mr. Haggerty:** What is your alternative? Do you want these plants to close down?

**Hon. Mr. Bernier:** We are going to look into it.

**Mr. Haggerty:** Look into it! They will be closed and gone by the time you look into it!

**Mr. Martel:** Mr. Minister, the larger mining corporations can put the squeeze on you in every field that way if they once make the first break—

**Hon. Mr. Bernier:** It is part of that big poker game you were talking about.

**Mr. Martel:** Right. With the new exploration that Inco has in New Caledonia, I guess it is, with the French company, with its expansion in Guatemala, the day will come when it can put the squeeze on here and hold a big stick over your head because it controls the world market.

**Mr. Douglass:** Not much longer. They used to, but there is no monopoly in nickel any more in Canada.

**Mr. Martel:** Not in Canada, but in the world market. Who controls it? Why is Inco buying into partnership with the French company in New Caledonia, for example? Because they intend to remain in the dominant role.

**Mr. Douglass:** They are in Indonesia; they are in Australia; they are in Guatemala; and so are our friends Falconbridge. We have passed that feudal age where we could dominate even the price.

**Mr. Martel:** Right. The point I am making now is that with every resource they will be able to hold a stick because they are diversified all over the world. They will be able to hold a big stick over our heads.

**Mr. Douglass:** They are not doing it because in the case of Falconbridge, we are demanding that by 1975 they will be refining 51 per cent of Ontario's ores.

**Mr. Martel:** Sure, but then they are taking the ores from Quebec and this is the interesting part.

**Mr. Douglass:** Wait now! They have no ores. That is not Ontario ore.

**Mr. Martel:** That is right. I appreciate that. The point I am making is that they will be able to—what they have done is they are going to process Ontario ores in Quebec, and take the ores which they were going to bring from Quebec originally and they are going to process those where?

**Mr. Douglass:** Over in Norway.

**Mr. Martel:** Over in Norway. They will be able to play the whole damn game to suit their own—

**Mr. Douglass:** We are going to gain by it. We are going to have more processing in Canada.

**Mr. Martel:** You were so pessimistic about the iron ore that it bothered me; you painted such a gloomy picture that it disturbed me no end.

**Mr. Douglass:** Not the nickel, coppers or base metals, though. It is very desirable to have that smelted in this country.

**Mr. Martel:** I am very delighted to hear that.

**Mr. Douglass:** Oh, indeed.

Interjections by hon. members.

**Mr. Martel:** We could not get into some rolling mills at this stage, could we?

**Mr. Lewis:** To come back, as someone who seldom interjects himself, Mr. Chairman, the Caland Ore Company Limited has 392 employees according to your 1970 Mines and Northern Affairs Review who are, I gather, going to look to other employment in 1975.

**Hon. Mr. Bernier:** Oh, no. That is five or six years away.

**Mr. Lewis:** Five or six years away, 1976? Right. Steep Rock Iron Mines Limited does not share with us the number of its employees. Does anyone know?

**Mr. T. P. Reid:** It is 500.

**Mr. Lewis:** About 500 or so? We are beginning to press rather large figures going out of operation in the mining industry. As we saw from the figures quoted by my colleague from Sudbury East, the expansion of jobs in the mining industry have been virtually negligible over the past 10 years. Some 3,000—so if these 1,000 employees involved in two mines are phased out over a few years, we are obviously in very serious trouble. Do you mean there is no government policy yet to be announced or are you going to change policy?

**Hon. Mr. Bernier:** I said a few moments ago that this is something that is giving us a real concern. It really is and the deputy minister has painted a very real picture.

**Mr. Lewis:** Okay. Let me move to another point. Are you having similar problems in any of the other mineral areas?

**Mr. Douglass:** In gold mines.

**Mr. Lewis:** In gold? In terms of 106?

**Mr. Douglass:** Oh, no. We smelt all our gold.

**Mr. Lewis:** Fine, okay. What about any of the others in terms of 106?

**Mr. Douglass:** No, none whatever.

**Mr. Lewis:** None whatever? You feel that you can increase the processing at home and those—

**Mr. Douglass:** This is our hope. We had to make a strategic retreat in the case of silver and in the cobalt area. That has to go out now. That was a small—

**Mr. Lewis:** That was an ideological retreat not a strategic retreat. That is what happens to Conservatives when faced with the prospect of another Ontario Hydro. One a century was enough. Another public enterprise would be too much to cope with.

Interjections by hon. members.

**Mr. Lewis:** I am just waiting for a figure, Mr. Chairman.

**Mr. Douglass:** Steep Rock, 601 employees.

**Mr. Lewis:** Steep Rock 601 and 392—well, that is about 1,000.

**Mr. Douglass:** Three hundred and seventy-five.

**Mr. Lewis:** Three hundred and seventy-five? Well, that works out to pretty close to 1,000 employees and I assume there may be other operations similarly imperilled if the dire results forecast come true. I wish I could have heard from this impenetrable sphinx at the head table something more than “we are pondering,” or “we are thinking,” or “we are concerned about.” If concern could build the mining industry, we would control the world at this point with all that is manifest here. How much additional processing do you expect to do in Ontario, or Canada, over the next one, two or three years?

**Mr. Douglass:** Well, 51 per cent of Texas Gulf; 51 per cent, by 1975, of Falconbridge. Of course, Inco nearly 100 per cent—that is 100 per cent of what they ship out. I cannot give you the complete answer, but it is impressive.

**Mr. Lewis:** So that you are heading for your legislation, which said 51 per cent, did it not, without giving a date? That was the objective of the legislation, and you are heading to that 51 per cent objective?

**Mr. Douglass:** Originally. This will be up, we hope, in the future.



**Mr. Lewis:** But the dates you have at the moment are 51 per cent for Texas Gulf and 51 per cent for Falconbridge by 1975. Have you any hope at all of retrieving silver at any point?

**Mr. Douglass:** It does not look too good.

**Mr. Lewis:** It does not look too good and you are going to reverse the position on iron ore and you do not see any hope obviously for uranium. I noticed in the paper this mornning that romantic socialist Schreyer has some visions of processing some uranium in Manitoba, but then that is, I suppose, predictable pie in the sky—we would not want a province like Ontario to contemplate that kind of activity.

**Mr. Douglass:** I do not think any of us realize the problem we are in with uranium. The U.S. has stockpiles. We have stockpiles. France has stockpiles. And now Australia is going to be able to bring in uranium they can mine and process for \$3 to \$4.

**An hon. member:** Two dollars.

**Mr. Douglass:** Two dollars to \$3.

**Mr. Lewis:** Well, I saw Stephen Roman the other day, patches in his trousers and no ink in his fountain pen. I know that—

**Mr. T. P. Reid:** Looking for a job.

**Mr. Lewis:** Well, he was going up to Thunder Bay, hoping that the government would pay his transportation.

Is that all that we will win from this minister then, just (a) an expression of concern about the phasing-out of iron ore mining in Ontario? That is quite an achievement for a new minister in the first two and a half months of operation, to phase 1,000 men out by 1976.

**Hon. Mr. Bernier:** Well, now, wait a minute. You are an expert at twisting the figures. You are a real expert. You are wasting my time and yours, I think.

**Mr. Lewis:** Well, that is exactly what has been elicited tonight.

**Hon. Mr. Bernier:** You are talking about 10 or 15 years for Steep Rock. You are talking about five to six years for Caland, and right away you say in five years 1,000 fellows will be out of jobs.

**Mr. T. P. Reid:** Have you taken any steps in regard to Caland ore? They have announced that they are going to be out in

five years because they cannot get any more economical ore. Have you, by way of incentives—if I may use that word; and I am not afraid or ashamed to—have you, by way of incentives or otherwise, spoken to them about this? What initiatives have you put forward?

**Hon. Mr. Bernier:** I can tell you right now that I have spoken with the people from Steep Rock about Lake St. Joe.

**Mr. T. P. Reid:** Well, can you tell us what happened?

**Hon. Mr. Bernier:** Well, we went into some very deep discussions about it, and I told them that when they are prepared to give us a proposal, to come back to us. We will look at anything in regard to the iron ore industry.

**Mr. T. P. Reid:** Did you offer any aid and assistance other than saying if you come up with a scheme, we will—

**Hon. Mr. Bernier:** I told them to come up with a programme; we will look at anything. And I have told them that very very plainly.

**Mr. T. P. Reid:** You did not offer any suggestions from your department?

**Hon. Mr. Bernier:** No.

**Mr. Martel:** They are sitting on great bodies of rich iron ore and are not putting them into production. You might just strip them of that licence and allow someone else—

**An hon. member:** Anaconda?

**Another hon. member:** Anaconda wants to sell.

**An hon. member:** What is that on Anaconda?

**Another hon. member:** They want to sell their production.

**Mr. Lewis:** Sorry, I cannot hear you.

**Mr. Douglass:** Anaconda does not have a captive market. This has been its problem.

**Mr. Stokes:** They have over 200 billion tons of ore and they are waiting for a customer. What about Caland?

**Mr. Douglass:** Caland?

**Mr. Stokes:** Yes.

**Mr. Douglass:** I do not know. They are putting out about three million tons—

Mr. Lee: Around two million tons a year right now.

Mr. Douglass: These things die slowly.

Mr. Lewis: Is there a sale price on the Anaconda property?

Mr. Douglass: No, but it is much lower than it was. They have \$12 million tied up in that property.

Mr. Lewis: Has the government talked to Anaconda about the acquisition of its property?

Mr. Douglass: About us buying it?

Mr. Lewis: Yes.

Mr. Douglass: No way.

Mr. Lewis: "No way"? Well, I did not know this. I did not realize you made policy for this department. In my naive way, I thought—

An hon. member: You got the message.

Mr. Lewis: I understand the Spadina Expressway. It makes more sense when one realizes the cabinet was not involved. Why have you not offered anything for Anaconda by way of letting your imagination and seeing the prospects for a government development—the whole thing from start to finish: A great captive market, a Crown corporation.

Hon. Mr. Bernier: On the whole aspect of mining, certainly it has been proved across this province for the past hundreds of years that private enterprise has done a job in the mining industry. You have seen what has happened in Quebec.

Mr. Stokes: They are moving out. You just admitted the iron mining industry is being phased out in Canada because it can move more cheaply elsewhere.

Mr. Douglass: Not Quebec. They are going into Quebec.

Mr. Stokes: But they are moving out of Ontario; they have not operated successfully in Ontario.

Mr. Douglass: They are not moving out. Their expansion is coming from other places. They are not moving out.

Mr. Stokes: Well, Caland is moving out.

Mr. Lewis: They are contracting part of their operation in this province.

Hon. Mr. Bernier: It is safe to say there are three mills in Ontario who will not have any trouble.

Mr. Stokes: Algoma is moving out. You just said that they have contracted to buy from the Mesabi Range.

Mr. T. P. Reid: If Caland is going to move out and Inland Steel is going to be short some two million tons of pellets, then they have got to be supplied from somewhere. Why not Steep Rock? Why not Lake St. Joe?

Mr. Douglass: Because of the Mesabi Range.

Mr. T. P. Reid: They can get them that much cheaper down there.

Mr. Haggerty: Is that open pit mining?

Mr. T. P. Reid: I have asked this question already of the gentleman behind me, but I was under the impression that the ore in the Mesabi Range was of a much lower quality than the ore particularly in the Steep Rock Range.

Mr. Douglass: Yes, you are right. The Steep Rock Range has hematite, a higher grade.

Mr. Stokes: Ten to 15 per cent better.

Mr. T. P. Reid: How can they provide it cheaper? It is transportation cost to a large extent. The mines in Atikokan have been fighting for years the rates that CNR are charging them to move that ore from Steep Rock to Thunder Bay at the Lakehead. I would like to know if the minister has taken any initiative in trying to solve this problem?

I think this is one of the largest costs that makes the ore so expensive. Have you taken on to yourself any responsibility in discussing this with the CNR? Have you talked to your federal counterpart, who is very accessible? I talked to him myself in Ottawa today about this matter.

But it is the transportation rate that is crippling the iron ore industry in northwestern Ontario, in Steep Rock and Tannin. What have you done about it? What are you going to do?

Hon. Mr. Bernier: No, I have not.

Mr. Yakabuski: Has the hon. member talked to Pickersgill?

Mr. T. P. Reid: Yes.

Mr. Yakabuski: He has? With what results?

**Mr. T. P. Reid:** They are waiting for an initiative from the Ontario government.

Now are you the minister—

**Mr. Yakabuski:** No.

**Mr. T. P. Reid:** We are getting answers out of everybody, as well as the minister.

**Hon. Mr. Bernier:** I think it is safe to say that the customer wields a very big stick when it comes to dealing with the CNR. No, I have not entered any discussion with Steep Rock or the CNR, but when Steep Rock was in to see me about Lake St. Joe, one of the things we did discuss was the ways and means of getting the pellets out of Lake St. Joe. They very, very clearly pointed out to me that their dealings with the CNR had broken down and that now they were looking into the possibility of bringing those pellets out—if and when they went into production—by pipeline.

This is the way it has gone, and I think they are on the right track.

**Mr. Chairman:** Does vote 1301 carry?

**Mr. T. P. Reid:** Does the minister see himself taking any initiative, either with the CNR or the federal government, or with Steep Rock in resolving this problem?

**Hon. Mr. Bernier:** Certainly we will do everything in our power, everything in our command.

**Mr. T. P. Reid:** You know there is a sickness going around—it is very communicable—that you are getting from the Premier. It is called blandness—"bland Bill Davis"—and all his ministers are catching it.

**Mr. Chairman:** I do not think this has any relation to the estimates.

**Mr. Lewis:** It is more serious than that. It is much closer to beriberi.

I want to say something to the ministers. I am beginning to understand just a little of what took place last Thursday. You will recall that within a period of 15 minutes the estimates had changed three times in the House prior to coming into these estimates. We went from Mines, to Labour, to Mines, to Labour, to Mines. The explanation—

**Mr. Chairman:** It was on the order paper.

**Mr. Lewis:** The explanation for Mines was that the deputy was out of town. We closed off at 6 o'clock.

**Mr. Chairman:** Mr. Lewis, it was quite clearly set out on the order paper, I believe. That was the determination that the committee continued with.

Interjections by hon. members.

**Mr. Chairman:** We were prepared to proceed.

Interjections by hon. members.

**Mr. Lewis:** I have not relinquished the floor. I will not be long.

**Mr. Chairman:** You still have the floor, Mr. Lewis.

**Mr. Lewis:** The member for Algoma-Manitoulin can move in in approximately one and a half minutes. I want to express some of my own modest concern and, I think, on behalf of my colleagues that what has happened in these estimates is a real travesty over the last couple of days.

The minister is obviously well-meaning, earnest and intentioned, but he is absolutely not in control in any aspect of at least this vote in his department. He sees it entirely as a sort of ancillary function that he performs.

One could put it in an uncomplimentary way, but your relationship to the mining industry is hardly one of a ministerial presence. It is very much one of ministerial absence. The mining industry will continue to run roughshod, without any legitimate controls in the interests of the people of the province, for however long this portfolio will be inhabited.

The same, Mr. Minister, appears to be true of Northern Affairs, of which you just airily wipe your hands. All you have are 25 employees who are information officers and you have a communications system in the department.

I think you can understand the frustration of the people who have been putting the case here for the second or third day now on the amount contributed by the mining industry through taxation on mining revenue payments on the processing of all of northern affairs. We are just not receiving any sense from your department, or from you, that anyone is taking it seriously.

I cannot help but think that this always happens where northern Ontario is concerned. Every time northern Ontario enters the picture in this Legislature it drops to the bottom of priorities.

Interjections by hon. members.



**Hon. Mr. Bernier:** The member for Scarborough West is the only member who could ever say that—a blanket, generalized, summation.

**Mr. Lewis:** I have looked very hard and the sole area, forgive me, of beer, is the only evidence anywhere in the life of this so-called new government that any concessions have been made to northern affairs in any, even marginal, way.

We have been through Lands and Forests, we have been through Mining and now we are entering the Northern Affairs section of the vote—and I can imagine what that will produce for the committee, you have already indicated it.

We have looked at what Treasury and Economics is going to do to the processing of ores, and when we get to housing we will see what the housing situation is in northern Ontario. What is it about this government that is so bent on sort of persecuting the north to serve the rest of the province?

Interjections by hon. members.

**Hon. Mr. Bernier:** It is the same old record, you have been playing it for months.

**Mr. Lewis:** It may be repetitive on the part of the opposition, but when the government makes a major move in this area the opposition will concede it and applaud it. We have done so in the past and we will do so again. We will not even do it grudgingly. If it is legitimate we will do it vigorously.

But these estimates are really quite unbelievable. People who will read in Hansard of these estimates will not believe that there is a minister or a department. They will think we just got together for a friendly discussion. There was a chap named Bernier who interceded from time to time, and that that was the nature of the discussion.

**Mr. W. Newman:** Let us get back to the estimates, and no more little speeches, eh?

**Mr. Lewis:** I am sorry; this is not a political speech.

**Mr. Ferrier:** Talk about the minister's salary there.

**Mr. Chairman:** Order! Mr. Farquhar.

**Mr. S. Farquhar (Algoma-Manitoulin):** Mr. Chairman, I just want to mention, as I did before supper, that if there is a future for the northern economy, I knew and I was quite convinced before we came to these estimates

that it is not in mining to begin with. I think what the deputy minister is saying here tonight points out the fact that there is no great glowing future, in the immediate future at least, in the area of mining.

**Mr. Douglass:** There is.

**Mr. Farquhar:** We have had it. We have not had it in terms of days or months, I know that. But anybody who has watched what is happening in the uranium field lately will know that there is just no great big thing to happen there anymore.

The sad part of it is, in terms of this department and not necessarily the minister as a person, but the ministry, there is just nothing they can do about it, except in this one area. I am convinced there is one area—the movement of ores and the processing of ores—which is one thing which you will have to be active in. But, except in that area, you could close that department for two months and I will guarantee that nobody but officials and people in the department will ever notice the difference.

Maybe that is a pretty strong statement. I am not trying to criticize the people in the department, because they have to keep the department running as long as the government says there is the department. But in terms of what you can do, the industry is running the industry, and the department is not running it at all.

Now, to get to something that is specific in terms of what you could do if another mine beside it was going to process in Quebec, Timbuktu, or wherever, would you go to the federal government and make applications for the appropriate incentives in conjunction with the industry and try to give Ontario a fighting chance at the right time?

**Hon. Mr. Bernier:** Certainly we would, if given the opportunity.

**Mr. Farquhar:** You are saying you will do that?

**Hon. Mr. Bernier:** Certainly we will do that.

**Mr. Farquhar:** Because it was not done before and you know it.

**Hon. Mr. Bernier:** We certainly will. We will take every initiative to work with the industries to get extra incentives for this province.

**Mr. Farquhar:** Okay, there is something of a specific for the province.

**Mr. Haggerty:** Not much, but it is something.

**Mr. E. W. Sopha (Sudbury):** The history of iron ore development in northwestern Ontario is the history of tragedy only equalled perhaps by King Lear. You would have to go that far to find a parallel. I spoke before supper about Texas millionaires. The history if iron ore in northwestern Ontario is the history of a transplanted Pugwash—

**Mr. Stokes:** Cleveland.

**Mr. Sopha:** —resident who found his abode in Cleveland, and the people of this country were extremely generous with him and extended a phenomenal amount of largess in the opening up of the Steep Rock iron ore deposit and indeed used public money to build a dock at the Lakehead to transport the iron ore out of Steep Rock to create jobs in Cleveland. Now, it might have been rescued. There was a time when the tragic mistake might have been rescued—

**Mr. Haggerty:** From Nanticoke, on Lake Erie.

**Mr. Sopha:** —and that was the time that this government permitted the building of the steel plant at Nanticoke. That steel plant ought to have been located at the Lakehead on Lake Superior to utilize the ores of the Griffiths deposit—

**Mr. Haggerty:** Located closer to the sources of iron ore.

**Mr. Sopha:** —of the Steep Rock, the St. Joe's and other ores in their fabrication of steel and to give to northwestern Ontario the mighty industrial complex. But, once again, this department was in a comatose state and there was no thought given at all to the future of the north and to what might have been in northwestern Ontario. Now, I say, in the terms of King Lear, it is unredeemable. The decision has been committed; Lake Erie, which is already dead, is going to be murdered thrice over—

**Mr. Allan:** Lake Erie is all right. Do not worry about Lake Erie.

**Mr. Sopha:** —with the establishment of that steel complex at Nanticoke. Once again, I say in a spirit of sadness, that we get the short end of the stick and what the Design for Development for the northwest holds out is an ephemeral hope of a possibility of a tourist industry. It is the mirror of what might have been the creation of a strong economy

in Northwestern Ontario, the attraction of large numbers of people there and the keeping of the youth—because it is the youth that is leaving northern Ontario.

**Mr. Stokes:** Our greatest resources.

**Mr. Sopha:** Only in northern Ontario do you find area after area where the young people are leaving, never to return. The districts of Rainy River, Kenora, Manitoulin—

**Mr. Stokes:** Thunder Bay.

**Mr. Sopha:** —and Thunder Bay are in fact declining in population because this department sleeps and is content that that infernal damned Canadian Mining Association, to summon adequate words to describe it, every once in awhile—at least once annually—puts out a brochure in which they gird themselves with praise about the export of our natural resources abroad. The number of dollars that—

**Mr. Martel:** The Department of Mines does the same.

**Mr. Sopha:** Well, I did not know that. The Department of Mines mirrors what the Mining Association is guaranteed every year to tell us about the tremendous number of dollars that we earn by the exports of our natural resources.

One gets the impression that people in this department have their arms locked in fraternal and affectionate embrace with the members of the Canadian Mining Association, and if one goes to their social functions, one sees them together. They are content to continue and we lose our sense of destiny in this country; and with the extraction of every ton of ore from the ground, time runs against us. We can never redeem ourselves.

**Mr. Yakabuski:** Hepburn and Sir James Dunn were locked arm in arm.

**Mr. Sopha:** Do not make any of your silly interjections

**Mr. Yakabuski:** They were locked arm in arm and you know it.

**Mr. Sopha:** That is a fact. I want to say that I have come to the time in my life when I am fed up with it. I am fed up with hearing Richard Nixon talking about the need for our resources and fed up with the feeling that we are to be nothing ever than a natural resource-producing economy with no possibility of sophistication or diversification of our economy in order to give a sense of challenge to

our young people, to develop skills in them and to bring to us those fruits to which we are entitled morally and justly. That is where I pitch my tent.

**Mr. Stokes:** Very well said.

**Mr. Chairman:** Vote 1301 carried?

**Mr. Makarchuk:** Mr. Minister, just to try to elicit a little bit of hope. Are any plans or studies being made by your department to investigate the possibility of fabricating some of the ores that we originally refine and process right now? This is looking at it in terms of stage one and stage two. Or are you making any suggestions to the companies that possibly by 1976 they may have to fabricate so much of the nickel or so much of the copper in this country instead of it being fabricated some place else into sheet metal, rods and so forth?

**Hon. Mr. Bernier:** This is the responsibility of The Department of Trade and Development.

**Mr. Martel:** Why do you not give them a club on the head?

**Mr. Makarchuk:** Do you not feel that you have some kind of responsibility?

**Hon. Mr. Bernier:** Certainly, we will. We cooperate with them in every way we can from the technical point of view.

**Mr. Ferrier:** The former minister said in Timmins that the next move was to move into this whole area of processing refined metals. This is where the hope lay in the whole mining industry, that he was going to take some action to see that something was done here. Was he just giving another one of his speeches or is this department—

**Mr. Allan:** Just the same kind as Mr. Sopha just finished.

**Mr. Ferrier:** The minister seems to be making instant policy and nothing was done about it. I think that one of the research projects he should get under way in the next year is to go into this whole field and see how we can use the refined metal and so forth to have a viable secondary manufacturing industry. I think that if we leave it to Trade and Development, we are just kidding ourselves. It has got to be done and more initiative must be taken by this department.

**Mr. Haggerty:** I understand, Mr. Chairman, that the largest percentage of the steel bought for the hydro station at Nanticoke Bay was purchased in Germany. I presume that practically every hydro generating station that was built in Ontario has steel that had been bought from Germany too. What is the reason for it? Is our steel not of that quality? If not, why not?

**Hon. Mr. Bernier:** I am not aware of that.

**Mr. Haggerty:** No, but these are things that should be checked into. It has taken a great number of tons of steel to fabricate this. This involves heavy plates too—maybe two- to three-inch plates.

**Hon. Mr. Bernier:** Is that right?

**Mr. Haggerty:** I understand that all that steel was bought from Germany.

**Hon. Mr. Bernier:** It does not sound reasonable that this should be the case.

**Mr. Haggerty:** Well, check into it. This is the information I had.

**Hon. Mr. Bernier:** Yes, we will certainly check into that. Again it must be a problem of economics.

**Mr. J. Root (Wellington-Dufferin):** Have you figures on how much steel is fabricated in Ontario—on Stelco, Dofasco, Algoma Steel, for example? I mean, there is a lot, but have you any figures on the total amount? If you have, why—

**Mr. Haggerty:** In those highrise buildings down here, I bet the structural steel at one end—at the lower tier—was not manufactured here in Ontario. The wide-flange I beams and that were manufactured in the United States.

**Mr. Carruthers:** Why?

**Mr. Haggerty:** The reason is we do not get involved in it. I mean the Ontario Development Corporation will come in and finance, say, office buildings in the Fort Erie area and set up offices here so they can come over and sell their steel here but not get into the processing here.

**Mr. Carruthers:** No? Then why do we not process more here?

**Mr. Haggerty:** I should be done in northern Ontario.

**Mr. Carruthers:** Why do we not do it?



**Mr. Haggerty:** Well, I think the government has to give some direction to it.

**Mr. Carruthers:** Well, it is either assistance—

**Mr. Haggerty:** Not assistance, just direction.

**Mr. Carruthers:** Is it economics or is it lack of direction?

**Mr. Haggerty:** I think it would be economics.

**Mr. Root:** Sure, it is economics.

**Mr. Haggerty:** We have the ore bodies here. You have the metal here, the things that go into making steel.

**Hon. Mr. Bernier:** To answer the question of the member for Wellington-Dufferin, in 1969 we had a total production of iron of slightly over 10 million tons, and our consumption in this country was about 11.8 million tons, so it shows that we are importing.

**Mr. Root:** The question I was asking was how much did we fabricate here? I am thinking of Dofasco, Stelco, Algoma Steel and others. You may not have full figures, it may not be in your department.

**Hon. Mr. Bernier:** No, I do not have that.

**Mr. Root:** I know I read where these mills are all enlarging, so they must be increasing their production. I have been through some of these mills, I have seen them. I travelled all the way from Ignace this afternoon and I saw a lot of steel laid by railways there. I see a lot of development in the north. The north is not dead as some people try to tell you.

**Mr. Haggerty:** When there are ships built here in Ontario the steel is bought in Germany.

**Mr. Root:** Could be, but—

**Mr. Chairman:** Vote 1301 carried?

**Mr. Martel:** One final point, Mr. Chairman concerning the iron industry. We are in trouble and yet when you look at the ownership of the various mining companies in this particular field you find they are very few and far apart.

You go down the list and you have Algoma Ore, which is wholly-owned, and then you have got Briner Mine, which is Noranda; and Caland, which is Inland Steel; and then

Clarabelle, which is the Hannah Mining Company; Bethlehem Steel; National Steel; Republic Steel; and you go to Coates Copper Company, and it is Cominco; the Griffith Mine is the Steel Company of Canada Limited; and the Hilton Mine is the Steel Company of Canada Limited; and Jones and Laughlin; the Iron Ore Company of Canada; Labrador Mine and Exploration; Hollinger; Bethlehem; National Steel; Republic Steel; Jones and Laughlin; Marmoraton is Bethlehem Steel; National Steel in Moose Mountain is National Steel Corporation; you find that for an industry that has got a malaise about it or a little sick there are four or five companies that own the whole bag, or the whole ball of wax.

**Mr. Douglass:** You have to have the captive market to—

**Mr. Martel:** Right. There is not a captive market, and they have got capital, I am not disputing the point. Why then are we in so much trouble with the iron ore industry, the steel industry, when most of the mines in Ontario are still owned by only a very small handful of people, the same people, interlocking, the whole bit, and we are in such serious trouble? What kind of game are these birds playing?

**Mr. Douglass:** I do not think they are playing any game.

**Mr. Martel:** You do not think they are playing any game? They own the whole ball of wax and they are not playing any game? They are in trouble in the United States too—National Steel and Hannah Mining and Bethlehem Steel. It seems to me they have a large control of the world market.

**Mr. Douglass:** That is right.

**Mr. Martel:** That is right, and if we do not play the game according to their terms we take the brunt of it, do we not, after they have taken the largesse out? We play the game according to their rules or we do not play the game at all.

**Mr. Douglass:** They put up the capital and they provide the employment.

**Mr. Martel:** And over the years we have put up the natural resources. And my initial statement on Thursday was that the mining industry has left a legacy of virtually nil.

**Mr. Douglass:** It worked a good many years—as at that time what is ore now was just waste; it was not economic.

**Mr. Martel:** That is one, but I am making a point, just one point. The member for Sudbury spoke this afternoon about Falconbridge going to Quebec. Well, they extracted a heavy price out of the Quebec government to go to Quebec, 20 years tax exemption right off the top, reduced hydro rates, reduced rail rates. Just when do the provincial governments in Canada get together and stop this type of game? I have seen small towns compete for an industry and do you know it costs you more to get the damned industry into your town than it is worth having, it just increases the cost.

And when are the various representatives of the mining communities from across the provinces going to sit down and work out the logical why and where? I would use some pretty harsh terms if it was not being recorded I can assure you. When do we stop the playing of games by companies as they go from one province to another and play off one province against the other? When are the mining officials going to wake up to this? You do not know.

**Mr. Douglass:** Not only the provinces differ but also countries differ.

**Mr. Martel:** All right, but I cannot dictate what is going to happen in "Lower Slobovia" you know—

**Mr. Douglass:** Nor British Columbia!

**Mr. Martel:** Well, Wacky is in a case all by himself.

But the point is, we have got to wake up to what is happening to us as a country and as individual provinces. They play us off one against the other. Three or four or five companies own the whole damn kit and caboodle and what do we do? They extract not just their pound of flesh, they extract everything from us by being able to manipulate between various levels of government as they continue the bloody game.

Now there must be enough competence in the various mining departments across Canada to put an end to this sort of nonsense once and for all, so that where we compete with each other and we garner a few jobs and a little bit of tax in the final analysis we virtually give it away. And the steel industry, when you look at the owners it is the same because it is the same big names, and we see two more mines phasing out eventually, whether it be five years as the minister says or 15, they play the game, because they control everything in the United States.

I just think it is about time the ground rules that we play this game by be changed and changed rather drastically or the future of Canada is going to continue to be this sort of nonsense at the hands of the few magnates. And maybe it is time your department started to get a hands-off policy and they sit over there at the meetings and you over here instead of the fraternization that goes on, and we started talking in the best interests of Canada first and not the mining magnates of the world.

**Mr. Douglass:** I think, as I indicated earlier, the Province of Ontario has the toughest regulations of any province in Canada.

**Mr. Martel:** Well, the other provinces have got to stop playing giveaway too because they are going to find that in the final analysis they will be in the same bag as we are.

**Mr. Douglass:** They have a stabilized tax rate for the next 20 years.

**Mr. Martel:** Why do we let so few people control it? Not just this government but others as well.

**Mr. Douglass:** We cannot control other countries.

**Mr. Martel:** No, no. That is the point I am making. How have these barons, these robber barons, been able to exploit on into the 1970s? You know, 100 years ago there was not much sophistication maybe, but we have become a little more sophisticated, have we not, in 100 years? We should be in a position to rationally—but then you know that is the free-enterprise mentality, give them everything they want, do not impose any government controls or set up something in competition to them. They have no competition, they do not compete with each other, they just have a field day together and we, the people, pay the price. We continue to pay the price.

**Mr. Chairman:** Vote 1301 carried?

**Mr. Sopha:** What is going to happen of course in the seventies—before we reach the end of the seventies—is that we are going to come alive to an awareness, a new awareness, whereby an individual has the impudence of Stephen Roman or Hirschhorn or someone—take an American like John Paul Getty—and for that person to stand with a straight face and look the rest of society in the eye and say: "This resource belongs to me. The rest of you stand back. I own it." Well, our young



people are going to put them against the wall—that is where he will end up, he will be against the wall—because we will come alive to the fact that the resources of this planet belong to mankind. They belong to all the people and no individual like Hirschhorn—a bastard like that, with an art collection worth \$50 million from our uranium; our uranium, \$50 million worth. They are going to build a shrine next to Abraham Lincoln's memorial—the greatest of the Americans—Joseph Hirschhorn is going to have a mausoleum with his art collection from our uranium.

Well I say without hesitation that before we reach 1980 if an individual like that, who has that degree of insolence to arrogate to himself, he will be put against the wall. As Rousseau said two centuries ago and we quite forgot, that the first robbery began when an individual fenced off part of the resources of the planet and the rest of society was naive enough to believe him. We have had two centuries to see the eternal truth of that.

Well, that is going to stop. And I am willing to say here and in the presence of these people, that this fraternization between the bureaucracy in this department and the robber barons has to stop and they have to stop sharing the amenities of the social functions and adopt a stand-back attitude and to say to these people, "We represent the public, we represent the people in respect of that resource and we cannot fraternize with you, you are the adversary" because the truth is we do not get our fair share, quite apart from the question of jobs, which is the most important thing; developing the skills of our young people; that is the most important aspect of it.

If you want to put it in terms of crass dollars and cents, we are not even good businessmen. We do not get a fair return from it. We do not get our piece of the action off the top. Inco was allowed to come in and amass tremendous profits—\$208 million, was it, last year, that they got from our resources—and what do we get? A piddling \$24 million that we got from the whole ball game. From every ton or pound of ore in Ontario of every kind, we got \$24 million.

Those Americans must look at us and must wonder if we are for real. They are so shrewd in trade themselves that they must look at us and say, "That has got to be the most naive group of people on the face of the planet." If we only summon up a bit of common ordinary—there is an expression in the fleet that I cannot use here, which used to

be used—common ordinary sense and to say, "Look, we have to have part of the action; you have to pay us a part of the action. You want this? All right, here is the price."

Lo and behold, we would find that rather than go elsewhere, to Guatemala or to French New Caledonia they would want to do business here. Right here is where they want to do business and they would pay our price. They would pay it gladly because we are next door.

We are a stable community. We have a measure of law and order. We have a common currency system. We have common language, customs, legal system, all those cultural configurations. We have it all, and they would come to us.

My God almighty, why are we so dumb? Why are we so dumb, I ask rhetorically, that we are ready not only to give this stuff but to help them carry it away? We help them carry it away obligingly. If they want something built to help them carry it away, we use the public funds in order to develop it.

The obligation of the minister of this department is to adopt an intellectual posture by which he says to these people, "Look, don't try to toady up to me. Don't buy me any booze. Don't even smile at me. Don't try to fraternize with me because I have a stewardship. I have a trust here that I have to carry out; that is, to the best dollar value of our resources."

It is as simple as that. I do not speak lightly when I talk about the fraternization. I remember George Wardrobe and the biggest thrill of his life was if one of those Inco guys, one of the top guys, put his arm around him and said, "How are you, Georgie, old buddy?" That was the greatest thing!

All right, that has to stop, that syndrome. You have to adopt the steely-eyed glare that those shrewd Yankee traders use, look them in the eye and say to them—that is, by your expression, convey to them—"I know you are a rotten bastard if I let you get away with it and I am going to put a stop to it." It is as simple as that.

**Mr. Haggerty:** They would think more of you if you talked to them that way.

**Mr. Sopha:** Absolutely! They would respect you. For example, memory tells me that about this time last year or a little earlier, Kam-Kotia was holding their annual meeting. They had a big buffet down there and all these officials of The Department of Mines were down there enjoying the bun feed. They



will not be there this year because Kam-Kotia lost a million. They had money last year but they lost a million this year.

I am going down to the annual meeting to ask a few questions. That is on Thursday. I say as a matter of principle, and I lay it right on the table, that this attitude of friendliness has got to come to a surcease. We have to approach this from a purely practical business attitude and say, "Here's the amount that we feel we should get back out of that resource for the common purposes of the whole of our society."

I say to the minister without hesitation that is your mission and that is your responsibility in the stewardship of this department. You might as well start off from that aspect instead of getting into that other nice cosy relationship with these robber barons, as my friend from Sudbury East so aptly and correctly describe them. That is the way I see it and I say it without hesitation. I mean business when I use that expression about these people arrogating to themselves the resources of this planet. That is going to stop and it is going to stop in this decade.

Mr. Chairman: Is vote 1301 agreed to?

Mr. Martel: One final question, Mr. Minister. Have you read Stephen B. Roman's statement, some two and a half months ago, about those people who are on welfare and the type of parasites they were? I suggest it for your evening reading tonight. Get your staff to dig it out, because he really blasted those people on welfare for being parasites.

Mr. Chairman: That must be another vote, Mr. Martel.

Mr. Martel: All right, next vote. There is not a bigger parasite in society—

Mr. Chairman: Is vote 1301 agreed to?

Vote 1301 agreed to.

On vote 1302:

Mr. Chairman: Provincial geological services programme. Mr. Stokes.

Mr. Stokes: I want to get in on a news item that appeared recently called "The Winisk River Exploration."

Tenders will be called soon for exploration licences covering the area east of the Winisk River, and south of Polar Bear Provincial Park, said Leo Bernier. He told the Ontario Mining Association meeting

in Toronto that specifications for the area recently opened for development will appear in the May 8 edition of the Ontario Gazette.

Twenty-eight companies hold permits in the Winisk River area west of James Bay.

It goes on to talk about Polar Bear Park and "The new exploration licence will cover the rezoned areas."

Under what arrangements will these people, these mining giants, be able to get the rights to explore millions of acres of private real estate I think it is? And how—

Mr. Douglass: I am sorry, you are on the wrong vote. This is mining lands we are talking about.

Mr. Stokes: Pardon?

Mr. Douglass: This is mining lands.

Mr. Stokes: Oh. I thought this was—

Mr. Douglass: It is not geological.

Mr. Stokes: It is not geological?

Mr. Douglass: No.

Mr. Chairman: Is vote 1302 carried?

Mr. Martel: Mr. Chairman, you are in a panic. Are you trying to help the minister?

Mr. Chairman: I was trying to help you.

Mr. Martel: No, you cannot help me. Give me a chance to talk. I do not talk very often.

Mr. Chairman: I thought your voice was going.

Mr. Martel: I just have a few points. First of all, how many maps do you send out per year and who gets these maps? I get them, but they do not make head nor tail to me—

Hon. Mr. Bernier: You get them?

Mr. Martel: Oh yes, I get them?

Hon. Mr. Bernier: Free?

Mr. Martel: Free.

Mr. Martel: Well—

Mr. Douglass: Better stop that.

Mr. Martel: Right. That is what I was coming to.

Hon. Mr. Bernier: The whole idea behind the maps is that they speak for themselves.

**Mr. Haggerty:** They have two sets of maps—one for the member and one for mining industry.

**Mr. Martel:** Well, I would like to know—

**Mr. Stokes:** On a point of order. I think that you are giving me a snow job here. You said that this item that I raised comes up under—

**Hon. Mr. Bernier:** Mining lands.

**Mr. Stokes:** Mining lands. Well I just suggest—

**Hon. Mr. Bernier:** These are two different things.

**Mr. Stokes:** —that it comes under vote 1302, geological services, for the simple reason that I want to ask you what information you have turned over to these companies that has indicated to them this is an area where there are good possibilities. Now, I asked you specifically in the preceding vote on research, what kind of information there was and what use have they made of this information. And you said, "Oh, great, you know." And you named half a dozen companies that have benefited from the activities of this department. If we look at vote 1302, geological services, that is part and parcel of these aerial surveys?

**Hon. Mr. Bernier:** We can discuss it under this vote, but it comes under Mr. McGinn's section, which is lands.

**Mr. Stokes:** What else do you do besides study the geology of these aerial surveys?

**Mr. Douglass:** Bringing it up here is quite correct. These aerial surveys contain the information on which they are basing their future.

**Mr. Stokes:** Okay, fine. We are on the same wavelength now. You are asking for \$2,524,000 in this fiscal year for that; I want to know, on the basis of this news item, that I alluded to earlier, what information did you turn over to these people that would indicate to them that this is a good idea, and that perhaps they should be in on the ground floor and getting themselves a piece of the action? What information did you turn over?

**Mr. Douglass:** Aeromagnetic anomalies, which showed the best readings we have had anywhere in the province—the most intensive readings.

**Mr. Stokes:** In the Winisk area?

**Mr. Douglass:** That is right. It is east of the Winisk River, but it is run from there south of Polar Bear Park, and all the way east to James Bay. Shebandowan goes through them.

**Mr. Stokes:** Okay, now let us assume that they get in and see it is not worthwhile, something that is not of merchantable value. What are you going to do with regard to the length of time that they can sit on these before they bring them onstream or into production?

**Mr. Douglass:** The exploration permit runs for three years but if they find something, it can be renewed for another three years.

**Mr. Martel:** Do they tell you when they find something?

**Mr. Douglass:** Not necessarily.

**Mr. Martel:** We really do not have an inventory of what is here, do we?

**Mr. Douglass:** No, they turn over all their information to us. This is part of the deal; all their information goes to the department.

**Mr. Martel:** All of it?

**Mr. Stokes:** If you do not renew the exploration permit?

**Mr. Douglass:** In any case.

**Mr. T. P. Reid:** How often does that take place? How often do they turn over that information?

**Dr. J. E. Thomson** (Director, Geological Branch): In six months after the completion of the drilling work or whatever it is. That is part of the regulations set out in The Mining Act.

**Mr. T. P. Reid:** Within six months of the actual drilling itself?

**Dr. Thomson:** The completion of the drilling, yes; the report must be turned over to the department.

**Mr. T. P. Reid:** Supposedly, though, that could mean if they got a permit today they would not have to give you any information for three years and six months.

**Dr. Thomson:** No, no. As soon as they—

**Mr. T. P. Reid:** It could mean that; they could do a drilling on the last day.

**Mr. Scott:** They have to do work annually, I think—this is not my branch, but it used to

be my branch—I will try to remember. They had to do, I think it is \$1 a year per acre, 64,000 acres, they do \$64,000 worth of work a year. They must turn that in within a short period after the anniversary date, then they do some more the next year, some more the third year.

**Mr. T. P. Reid:** About every year and a half then?

**Mr. Martel:** Sixty-four thousand dollars worth, now what would that involve?

**Mr. T. P. Reid:** About two weeks.

**Mr. Martel:** Virtually!

**An hon. member:** Drill one hole up in that country.

**Mr. Martel:** Right, one hole!

**Mr. Ferrier:** If there are some good showings, they would probably go in and drill a hole someplace that is not so good and submit that, and keep the good showings for themselves.

**Hon. Mr. Bernier:** We like to think that they are pretty good citizens.

**Mr. Martel:** When did this start happening, that they were good citizens?

**Hon. Mr. Bernier:** I always think the people I am dealing with are fairly nice guys.

**Mr. Martel:** Oh, they are nice guys.

**Mr. Stokes:** How soon did the minister personally know the extent of the value of the ore at Shebandowan? Something that International Nickel sat on for 30 years. That property, I am told, was acquired in 1938, and they have been sitting on it ever since.

**Mr. Douglass:** That was patented lands.

**Mr. Stokes:** No. Well, I do not know. Sure it was when they bought it for \$300,000.

**Mr. Douglass:** It was private property. They do not have to turn over the information on drilling.

**Mr. Martel:** Right, so maybe what my colleague the member for Cochrane South just said was correct: if they find a good hunk of action they immediately could proceed to buy it without giving any indication as to the value of the content and then you not be in the picture at all. How could that be avoided?

**Mr. Douglass:** In the first place, they only get 10 per cent of the holdings in any case.

**Mr. R. V. Scott** (Director, Northern Affairs Branch): They have to show that they have made a discovery before they can get the 10 per cent.

**Mr. Martel:** To get back to what my colleague just—

**Mr. Scott:** It is a different type of operation, sir. They staked mining claims on the Shebandowan thing many years ago.

**Mr. Martel:** That was their own work.

**Mr. Scott:** Yes. Then the Cross people had it, and the Cross family sold it to Inco. It was patented or leased at this time.

**Hon. Mr. Bernier:** I think you should explain.

**Mr. Martel:** The point is, if I gather, to put it together, this is: anything that you give assistance on, they have to indicate the findings. If they do it on their own, do they have to—

**Mr. Scott:** On any exploration permit now they are required—this is the terms of their permit—they have got to turn it over to the department.

**Mr. Martel:** Say they are just doing prospecting?

**Mr. Scott:** Any type of work.

**Mr. Martel:** Any type of work at all, they have to advise the department?

**Mr. Scott:** Just on the exploratory licences.

**An hon. member:** Do they not have to stake this land then?

**Mr. Scott:** No, they cannot.

**Hon. Mr. Bernier:** No, these are the new exploratory licences of 25,000 acres, the minimum, is this right?

**Mr. Scott:** The minimum expenditure is \$25,000, so they would be stupid to take less than that.

**Hon. Mr. Bernier:** This is charging them a \$1 an acre basis, and it is a section that is marked out on the map, because you cannot stake up in that country, let us be honest. It is muskeg country, it is very, very difficult doing this type of surveys.



**Mr. Martel:** Maybe you had better get someone to explain the whole procedure to us.

**Hon. Mr. Bernier:** Yes, Okay.

**Mr. Scott:** Actually as far as you were speaking on the expenditures, on a three year expenditure period you would spend as much or more on mining claims to keep that area of mining claims in good standing. So it is really no cheaper from the amount of work they would have to do or the amount of money they would have to spend to do that amount of work, than as if they had staked mining claims. But they simply cannot stake mining claims in that kind of country. The thing is pretty well pro rated so they really are spending about the same amount.

**Mr. Stokes:** All right. Let us assume they find something on the Winisk River. How long are they going to be able to sit on this? Because let us face it, there is Union Miniere, there is Falconbridge, there is Inco, I think Stelco is in on it—some of the biggest mining companies in the world are in there. At a time when they are not exploiting even the known resources, now I understand that these people operate on a 40 to 50 year basis; they are going to be around a while, they will continue to get their share of the action. How long are you going to allow these people to sit on ore development?

**Mr. Douglass:** It takes them about four or five years to obtain a lease, and after that they get a 21-year lease.

**Mr. Stokes:** Without any commitment on their part that they will develop it?

**Mr. Douglass:** They pay rental of \$1 per acre.

**Mr. Scott:** They pay a higher rental than they are paying now.

**Mr. Martel:** That would do a lot of good. If Inco—no, let us not say Inco or my friends over there will jump out of their skivvies. Some other company. And besides they want to sit on it. To the detriment of society, at least our society here in Ontario, because they have three or four other known reserves that they established 10 years previously.

**Mr. Stokes:** And they play one against the other.

**Mr. Martel:** What leverage have you to put the squeeze on to bring that into production because it is beneficial for the people of the area?

**Mr. Douglass:** Just taxes or rental.

**Mr. Martel:** Just taxes. But the amount is so small. They will write that off, they will find some way of writing that off too; you know exploration. And they will charge that up for 10 consecutive years. They have all the angles figured out.

**Mr. Allan:** Mr. Chairman, how far is it from these mining claims you are talking about to the rail head?

**Mr. Stokes:** Five hundred miles?

**Hon. Mr. Bernier:** At least.

**Mr. Allan:** Of muskeg?

**Hon. Mr. Bernier:** Of muskeg, yes.

**Mr. Stokes:** But they are very anxious to get in there.

**Mr. Martel:** It is the principle we are talking about.

**Mr. T. P. Reid:** Have you never heard of pipelines?

Interjections by hon. members.

**Mr. Douglass:** It is a very intriguing area.

This stuff though, you must remember, is ghosting up through the muskeg and they bring that into production. It is not going to be easy. They are not going to sit on it very long unless they have got something really worthwhile.

**Mr. Stokes:** All right, let us get back to the point I wanted to raise.

Why do you put this area out for exploration? The member for Haldimand-Norfolk said: "How far from the railhead?" Well it is 500 miles and in muskeg. The chances of them doing it under conventional mining methods, as we know them today, are very remote.

Now you know well enough because of the results of your geophysical and electromagnetic surveys that there are literally thousands of anomalies that have been outlined. As a result of your activities in the exploration field—and I am not criticizing you, it is great—but why do you not say to these companies: "Here, you invest your money and your

expertise in bringing these resources into production where it is going to help existing communities." Rather than allowing them to spend millions of dollars to tie up an area for 50 and 100 years, and you know or I know, that they do not have a ghost of a chance under present economics of getting there and exploiting those resources. Even if they did, I suggest that this department has the responsibility to develop areas where people live rather than looking at pie-in-the-sky 500 miles up in the muskeg.

**Hon. Mr. Bernier:** You cannot tell people where to go.

**Mr. Stokes:** Why not?

**Hon. Mr. Bernier:** As I understand it, the Winisk area, the experts feel, could be an outcrop of the Thomson Manitoba showing. This is a trial to them, and certainly if they are going to spend their money they are going to spend it where they have the possibility of the greatest return.

**Mr. Stokes:** I am not interested in what attracts these large companies, I am interested in what is going to bring the maximum return to people. It gets back to what we talked about last Thursday—I am talking about Balmertown; I am talking about Red Lake; I am talking about Beardmore; and I am talking about Geraldton.

**Hon. Mr. Bernier:** These are two different ballgames though. This is a specific area that needs a specific type of attention. I do not think you can confuse it with this Winisk area where it is a different ballgame altogether.

**Mr. Stokes:** They only have so much money to spend, and if they are going to spend it at Winisk it means they are going to have that much less to spend in areas where you and I think they should be focussing attention. I am wondering when you are going to make them do it in this way.

**Mr. Scott:** Can I say a word of clarification? I may have misled the member for Thunder Bay and the member for Sudbury East.

There are two kinds of exploratory licences up there. The existing ones, which are the ones along the Winisk, are the ones I was talking about.

The ones they are putting up were granted under order-in-council under Section 657 of The Mining Act; the ones on which you are waving the piece of paper about, that are up

for tender are; you were saying, a different ball of wax, they are under some regulations. The terms are roughly the same as I just described; they are slightly different but well the same. But there are two sets, two types of licences. I think the policy now—I may be wrong on this—is to stop giving the kind that we were giving and do them all by tender.

**Mr. Stokes:** Well Mr. Minister, what are you interested in? Are you interested in preserving towns that are slowly going down the drain?

**Hon. Mr. Bernier:** Certainly; I made this point—

**Mr. Stokes:** Or are you interested in establishing two towns up on the Winisk River?

**Hon. Mr. Bernier:** Well I made this point very, very clear on a number of occasions. This is my real interest and my concern, and the deputy has gone to Ottawa to discuss this matter where we have the dying gold communities, where we know we should be bringing the major companies back to do increased exploration of those particular areas; we know that. I am sold on the idea; I have spoken on it publicly, and I say it again—I am very convinced that we have got to do this some way, somehow. But the thing is: How would you keep the companies out of the Sturgeon Lake area? How would you keep them out of there? You say you cannot go there; you say there is a good anomaly there. How would you keep them out of the Confederation Lake area?

**Mr. Stokes:** No, I think it is reasonably close to existing communities that will add some viability to them. You are talking about 30, 40 or 50 miles. I am talking in terms of Confederation Lake and Sturgeon Lake. It is bound to have a good effect on existing communities.

**Hon. Mr. Bernier:** They might well find Thompson, Manitoba, up there. They have got a whole new community of 5,000 or 6,000 people; it could well be.

**Mr. Stokes:** Where?

**Hon. Mr. Bernier:** In the Winisk area. How do we know? Unless they want to go and look.

**Mr. Stokes:** I think we should be paying attention to existing communities that are slowly dying rather than establishing—

**Hon. Mr. Bernier:** Why not use both programmes? There is room for both programmes.

**Mr. Martel:** Regarding transportation, there are really only two routes in northern Ontario—up to Timmins and directly across along Lake Superior. In that great vast area there must have been a lot of surveys; there have got to be known reserves in there—somebody knows about them.

**Mr. Douglass:** Not known.

**Mr. Martel:** Not known? Well, then maybe your department should be focusing its attention along the routes and between the two existing routes to, as my colleague says, start to ensure against the eventual loss of the existing municipalities instead of on some grandiose idea way off in the boondocks where nothing exists at the present time. Because how many square thousands of square miles is there in that area we have not really looked at? We know that in certain areas—and this is where the transportation areas have developed—there have been tremendous reserves; some of them have been mined for years, and in that same belt there must be all kinds of material.

That is what we should be bringing into production. Why go to the ends of the earth when we have not even looked in our own backyard, where there are existing communities in danger of dying and the gold fields are closing down? Why do you not focus your whole attention in that area in an effort to prevent the death of many of these mining communities?

**Mr. Douglass:** There is not the same interest. This is what we have done, together with Ottawa and Quebec, on the gold mining problem: We have had the best experts available in Canada from the industries, the governments, everybody.

**Mr. Martel:** Who is not interested?

**Mr. Douglass:** Who is not? The mining companies.

**Mr. Martel:** The mining companies; right!

**Mr. Douglass:** That is right. You and I know it is going to take some incentive to get them back into those gold mines.

**Mr. Martel:** It is going to take some incentive; I would suggest that if you—

**Mr. Douglass:** This is what the minister wants some exploration money for.

**Mr. Martel:** Right, and if you even threaten to start some exploration, I would go along with the minister in providing funds. If he needs \$3 million for exploration, by all means; but we have to work out what our take of the pie is when we discover an orebody for them. I do not believe in putting out \$3 million to do exploration because they have not been interested and, once we have discovered it, turning the whole pie over to them. We have to determine ahead of time what our equity in it is going to be; then, if they do not want to bring it into production, we go to the Canadian capital market and set up, if necessary, a Crown corporation.

I suggest to you that we would only have to threaten the establishment of the Crown corporation to get into the mining industry. Do you know what they would do? Because we have never had the guts to change the rules of the ball game, in spite—

**Mr. Douglass:** They did not do much good in Quebec.

**Mr. Martel:** They have not discovered any. They have spent a mere pittance—\$1.5 million a year since 1965. They have now opted to \$2.75 million, though. And do you know that when they start putting in \$2 million and \$3 million a year over the next five years, the chances are that they are going to come up with something?

I just want to make one other interesting little point. I am told by people in the mining industry that the major mining companies like Noranda have never made a major mining discovery in Ontario. It has been some guy, some prospector, panhandling or working—Manitouwadge is a prime example. How many big companies were involved in the discovery of Manitouwadge, in the discovery? I am not saying putting it into production. I am talking about the discovery.

**Dr. Thomson:** In what way do you call it a discovery?

**Mr. Martel:** Well it was known from 1958 on at least.

**Mr. Douglass:** The ones you are talking to were aware of it.

**Mr. Martel:** Right. I know. That is why I addressed the question.

**Dr. Thomson:** It is not found. You do not find a mine anyway. That is completely wrong. Nobody ever finds a mine. A mine is made. It is made by expending—



**Mr. Martel:** Okay; you found the ore body. When did you find the ore body?

**Dr. Thomson:** It was found, if you want to put it that way, after they had put down, I think it was the fourth drill hole. Many companies had looked at the ground. They would not touch it. Finally, one engineer said, "I will recommend to my company that they venture \$25,000" on what, at that time, looked like nothing at all. After a fourth drill hole, they hit something that looked economic—something to encourage them.

**Mr. Martel:** Who discovered the ore body, though?

**Dr. Thomson:** The diamond drill discovered the ore body. The assay recorded it.

**Mr. Martel:** Why did you go into it? You went in—

**Dr. Thomson:** I was in there 20 years ago—

**Mr. Martel:** You had some promising samples, right?

**Dr. Thomson:** It is questionable in the light of developments, but at that time they were certainly questionable. They were not interesting at all! All we found was a little bit of mineralization. That is all we found. You can find that in scores of places around the country.

**Mr. Stokes:** I thought Peter Moses found that?

**Dr. Thomson:** That is all right. He was with me. He took me to it. That is right, He did not even find it. It was known for generations before ever the Indians knew of it.

**Mr. Martel:** How many major finds have been made as a result of the major companies sending out geologists? I am not talking about the diamond drilling. I am saying, they came to the spot and said, "All the signs are here." I am told virtually none have been made by

the major mining companies. They have bought out somebody who found them.

**Dr. Thomson:** No!

**Mr. Douglass:** Texas Gulf Sulphur—

**Dr. Thomson:** Texas Gulf was—

**Mr. Douglass:** Brunswick Mining and Smelting.

**Mr. Martel:** This was—what is his name? Who did you meet with the other night?

**Mr. T. P. Reid:** What is the point anyway?

**Mr. Stokes:** Murray Watts.

**Mr. Martel:** Murray Watts. Right. But the initial discovery—

**Dr. Thomson:** There are hundreds of thousands of initial discoveries that never turn out to be anything. Only one out of several hundred discoveries ever becomes a producing mine.

**Mr. Martel:** Right! No one is disputing that. The point I am making is that if we are going to get into this type of deal and we spend \$3, \$4 or \$5 million a year for exploration, what is going to be our chunk of the pie? And if private capital is not going to develop it, then by God, in the best interests of the Province of Ontario, we do it either with private and government capital or straight public funds.

**Mr. T. P. Reid:** After the next election, we will grubstake you!

**Mr. Martel:** Will you?

**Mr. T. P. Reid:** I move we adjourn, Mr. Chairman.

**Mr. Chairman:** On that happy note, does 1302 carry?

Vote 1302 agreed to.

The committee adjourned at 10.30 o'clock, p.m.

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ONTARIO

# Legislature of Ontario Debates

JUN 2 1971

UNIVERSITY OF TORONTO

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Mines and  
Northern Affairs

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Tuesday, June 8, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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# LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JUNE 8, 1971

The committee met at 3.30 o'clock, p.m., in committee room No. 1; Mr. M. Hamilton in the Chair.

## ESTIMATES, DEPARTMENT OF MINES AND NORTHERN AFFAIRS

(continued)

On vote 1303:

**Mr. Chairman:** Mine safety and public protection programme.

**Mr. S. Lewis:** (Scarborough West): On a point of order, Mr. Chairman, before you begin: I want to understand why it was that the provincial Treasurer (Mr. McKeough), today in question period, did not know of the alleged request which came from the government of Ontario to eliminate the tax holiday, reduce tax exemptions in that fashion for mining corporations, and to reduce the amount that could be allowed for depreciation allowances.

**Hon. L. Bernier** (Minister of Mines and Northern Affairs): Mr. Chairman, I think the Treasurer made it very clear in the House today that he would look into the situation and report back.

**Mr. Lewis:** Well what do you mean: "The Treasurer will look into the situation and report back"?

Your officials said, and you said yesterday, that you had agreed to rescind specific tax exemption requests for mining corporations or tax exemptions which should apply to mining corporations, and had made that request of government. And you had also indicated you would support a reduction in depletion allowances. I would like to know when that was done, to whom the request was made and whether there is any document which substantiates it.

**Hon. Mr. Bernier:** We will get that information and pass it on to you.

**Mr. Lewis:** No, I do not want to wait for the information.

I am absolutely tired of the way this committee is running. I want to know whether

your civil servants are leveling with the committee. I am going to be forced into positions that I do not normally occupy. I was told by leading civil servants of this department yesterday that a specific request to rescind the tax exemptions granted to mining corporations was made by this government, and that a reduction in what they could claim for depletion allowances was made by this government. I want to know when it was made and to whom it was made, and what the specifics were. I am assuming that it is a sufficiently important matter that I do not have to be fobbed off with this stuff about "We will gather it for you." Now it may well have been made, but I am tired of the vagaries of this discussion and I think as a member of the House I am entitled to have specifics.

**Hon. Mr. Bernier:** Mr. Chairman, I can only repeat what I said earlier, that we will get the information for the hon. member.

**Mr. Lewis:** When will you get it?

**Hon. Mr. Bernier:** Mr. Lee, the director of finance is not with us today.

**Mr. Lewis:** Well that is not my problem. I am sure the minister—

**Hon. Mr. Bernier:** If the deputy has something to add, fine and dandy, but from where I sit this is the information I am going to provide you with until he is here.

**Mr. Lewis:** What do you mean, this is the information? Mr. Chairman—

**Mr. D. A. Evans** (Simcoe Centre): Mr. Chairman, if he cannot get the information for the member, what is the use of flogging it? Why can he not wait?

**Mr. Lewis:** What do you mean, why can I not wait? What is there to wait for? It was asserted categorically yesterday that this request was made by the government of Ontario, I assume by The Department of Mines. Now you are the minister and you have your deputy beside you. I would just like to know to whom the request was made and covering what subjects? And how is it

that the Minister of Finance in Ontario does not know about it? That does not require gathering material together; that just requires an answer.

**Mr. D. P. Douglass** (Deputy Minister): Except The Department of Mines did not make that request.

**Mr. Lewis:** The Department of Mines did not make that request? Well then what was meant yesterday when it was said—

**Mr. Douglass:** It was indicated that a modified request was made to the federal government on the White Paper, and in that it was indicated they could tolerate the three-year exemption goal.

**Mr. Lewis:** The tax-holiday goal?

**Mr. Douglass:** I beg your pardon?

**Mr. Lewis:** That you would agree to rescinding the tax holiday?

**Mr. Douglass:** Something along that line, yes.

**Mr. Lewis:** Right; and to reducing the amount claimed for depletion?

**Mr. Douglass:** This is my understanding, yes.

**Mr. Lewis:** This is your understanding.

Well now the former Minister of Mines and Northern Affairs (Mr. A. F. Lawrence), as I understand it, Mr. Chairman, indicated that Mr. Benson's proposed changes for the mining industry in taxation were too severe; that in fact Mr. Benson retreated under fire from the then Minister of Mines for Ontario.

I am not interested in going on the war-path unless driven to the wall. I want to know how it is, in a department of this kind, that we cannot get these kind of specifics. Now if it did not come from The Department of Mines, may I ask rather specifically where the minister or the deputy thinks it came from? Was this a submission made by the Treasurer to the Minister of Finance?

**Mr. Douglass:** That is my understanding.

**Mr. Lewis:** That is your understanding. And that was made during the term, I take it, of Charles MacNaughton rather than of Darcy McKeough?

**Mr. Douglass:** Yes.

**Mr. Lewis:** And that is as you understand it. Yesterday it was more than an understanding, it was a categorical assertion; but today it is an understanding—in the document which MacNaughton submitted to Benson there was a recognition on the part of Ontario that if necessary the three-year tax holiday could be rescinded and depreciation allowance claims reduced?

**Mr. Douglass:** They could live with that.

**Mr. Lewis:** We in Ontario, the government of Ontario, could live with that?

**Mr. Douglass:** That is my understanding, yes.

**Mr. Lewis:** Thank you, Mr. Chairman.

**Mr. Chairman:** Vote 1303. Mine safety and public protection programme.

**Mr. E. W. Martel** (Sudbury East): Mr. Chairman, first of all I was under the impression that vote 1302 had not been carried, I make that abundantly clear. My comments on it were going to be brief anyway, so I will not belabour it.

**Hon. Mr. Bernier:** I think, if I recall, you said: "One more last question."

**Mr. Martel:** No, that was on the administration.

**Mr. Chairman:** No, I think it was quite clear that vote 1302 was carried.

**Mr. Martel:** No, I think if you will recall when the committee adjourned last night I was in the process of discussing a certain specific with the gentleman who helped to discover Manitouwadge.

**Hon. Mr. Bernier:** Dr. Thomson (Director, Geological Branch).

**Mr. Martel:** Dr. Thomson! We were right in the middle of a discussion when the committee was adjourned.

**Mr. Chairman:** I made it quite clear, Mr. Martel, at the time of the adjournment that I asked the committee for their approval for the carrying of vote 1302. We will carry on with vote 1303.

**Mr. Martel:** I still think it is a lot of nonsense, but because I had very little to say on it I will accede. I cannot say the same is going to be so for what I have to say from here on in, mind you.



I have so much, Mr. Minister, I do not know where to start. I guess we had better start with some statistics, how is that? Just to indicate, I think we have to, for a change, get some of the records straight on the accident rates; those which are claimed and those which are not. I am delighted to see my friend, the member for Haldimand-Norfolk (Mr. Allan) back; he always supports me in these endeavours.

Mr. Minister, over the past few years I have engaged on a debate on the number of injuries which take place in the mining industry; to be specific, in operations of the International Nickel Company. I have managed to get the figures from the union—the monthly totals of accidents—to show, or to support my allegation that there are a large number of accidents which do not ever show up, because men go to work with broken legs, and so on, in casts.

As I said before, I really do not have too much objection to that, but what I take exception to is that when a man with a bad back goes back to work, or the man with a bad leg goes back to work and it does not heal properly, then the company takes him on four square. When I appear before the Workmen's Compensation Board they not only send a doctor and safety supervisor, they also send their lawyers from Toronto to these rather detailed cases.

It makes it rather interesting that in the first place many of these men return to work at the insistence of the company, or at the request of the company. I object, then, to the company going after them when the injury does not come around as it should. They use a number of ploys to get the men back to work, Mr. Minister. For example they will bring him in, he is supposed to be just sitting in the dry and the first thing they do is start to give him work and the type of work increases to the point the man eventually says: "No, I cannot do any more." So they send him home.

They send him home because he does not want to do light duty; and consequently the Compensation Board says: "Ah, but he was located in suitable employment at one time, so we cut him down to 50 per cent."

You see it is a great trap they are caught in. They either stay on and they do work which they are not really physically ready to do, or they run the risk of having their compensation reduced by 50 per cent, necessitating their trying to get welfare. It is not a very pleasant position these men find themselves in.

What I take exception to is that is your department is going to allow these men to go back into work—and you must, because they continue to go back with casts on, etc.—you have to make the company realize that they cannot use these sorts of pressure tactics thereafter to get the man to do work which he is really not ready to do. Nor should they then try to make life miserable for him by saying "You are prepared to do this work, we will notify the board and they will cut you down or you will go on a rate of 50 per cent compensation."

You know they cannot have it both ways. The number of accidents really does not show up. I mentioned December's total: accidents, 879; in the Inco holdings: Those which required medical aid, 197; light duty, 35; lost-time, 10; fatal, two—total number of accidents for one month, 1,123.

Now it is a large holding and there are going to be minor accidents; that is part of the war, I guess, or part of the job. But we have got to get to a point where those people are brought in and not put to work they bloody well cannot do.

I am sure you must agree with that sort of decision, that they do not work until they are ready to resume their regular work; but do not use intimidation on them to get them to do some work.

I will just read September's—the accident rates are high for 1970—minor accidents, 921; medical aid, 279; light duty, 46; and lost-time, 10.

**Hon. Mr. Bernier:** Could you just give me those figures again?

**Mr. Martel:** Month of September—minor accidents, 921.

**Hon. Mr. Bernier:** That could be anything from a toenail to a cut on the finger—

**Mr. Martel:** Right, I am going to break them down evenly for you. We are trying to be fair.

**Hon. Mr. Bernier:** —or maybe a little blister or something.

**Mr. Martel:** Right. Those which required medical aid, 279; those on light duty, 46; lost-time accidents, 10.

**Hon. Mr. Bernier:** Out of 18,000 employees?

**Mr. Martel:** Right. Then in October, 818 minor accidents—as you say, it could be a sore toe—medical aid, 204—

**Hon. Mr. Bernier:** That also could be a scratch?

**Mr. Martel:** Right, or it could be heavy duty. Light duty, 38—

**Mr. R. Haggerty (Welland South):** Headache, too.

**Mr. D. Jackson (Timiskaming):** Headaches are not injuries.

**Mr. Martel:** Yes, you get a headache when something drops on your head. Light duty, 38; lost-time, 10; accidental deaths in the month of October, two.

November—by the way, these are from the company records, so they check out—849; medical aid or attention, 212; light duty, 40; lost-time, 9; fatality, one.

Do you want the December ones again? They were the first ones I read but you were not copying them down. Minor 879; medical attention, 197; light duty, 35; lost-time, 10; fatalities, two—total 1,123.

I have some later ones. I will just see if I have them here. Yes, I have March's, Mr. Minister. March of 1971; 958; medical attention, 218; light duty, 44; lost-time accidents, 8; fatalities, none; total 1,228.

So there are a good number of accidents, despite the wonderful records which appear in the Compensation Board's records. It appears to me that many of the accidents do not show up or that accident rate would be much greater than is actually shown.

My concern, Mr. Minister, again as I stated earlier, is for the men who do go back. Now in some cases maybe it is to their advantage, in many instances it may be good because they are not just sitting at home thinking about their problem. My concern is when the injury does not heal properly; the company has got to back off these people, and when you do gather all the medical material and you go before the board, there they sit with their lawyer, their doctor, their safety superintendent, Mr. Hews, or safety engineer Hughes.

**Mr. C. M. Barrett (Senior Electrical Mechanical Engineer):** That is Mr. Kossatz.

**Mr. Martel:** Now? What has happened to Hews?

**Mr. Barrett:** He has been elevated.

**Mr. Martel:** Has he? He has gone upstairs. He has done his duty well, but he would appear every time before a hearing of the board, the appeal tribunal, or the board

level. But at the board level they have even got a lawyer, you know. The Workmen's Compensation Board is not actually a place for settling these things in a legal manner, but they are there anyway.

The other thing is, if they are going to go on light duty and if they refuse work—and I want you to look into that—if they refuse to work because they say it is too hard, the company reports to the board that—

**Hon. Mr. Bernier:** Are you going to provide us with some specific cases that we can—

**Mr. Martel:** Oh I have not got that type of specific case. I am just asking you to look into it. I could get you a number of specific cases. I put some on the record last year of men who went in—in fact eight or 10 in one day. I can think of a couple off the top of my head: Kerry Size, who had a broken leg and was taken in by car and somebody punched the clock for him and he left whenever he wanted to during the day. Mike Szernis—well there is no use repeating it; you know what it is. I would like to have the matter checked out, Mr. Minister.

**Hon. Mr. Bernier:** Of course, you are aware also that the employee only returns to work on the advice of his doctor. Now this is well understood. The man, as far as this department is concerned, returns to work with no pressure, on his own agreement—

**Mr. Martel:** No, Mr. Minister, what happens when he—

**Hon. Mr. Bernier:** He volunteers to go to work.

**Mr. Martel:** He has a doctor who treats him medically, he never shows up from the beginning as a lost-time accident, he has got to go back to work, he does not have a compensation claim in some instances. What happens then? You know, he is in a box.

**Hon. Mr. Bernier:** Yes, yes.

**Mr. Martel:** It becomes very difficult to establish—

**Hon. Mr. Bernier:** I think there is an over-emphasis placed on this particular matter because our particular department—and we have got some very able gentlemen in the Sudbury area—have not, as of last year, received one complaint in this regard. Not one complaint has reached them.

**Mr. Martel:** Oh, Mr. Minister, the two representatives of the two major companies



appeared on television with me about four months ago on this very point. The presidents of both unions, Mickey Maguire and the business agent from Mine Mill, Emil Prudhomme, both appeared on television on this very point and made these very points as well. They do have some knowledge of it.

**Hon. Mr. Bernier:** To add further to this, just last week we met with Mr. Maguire and he brought up the point of 1,000 accidents a month, but after discussing with him further he brought out the point, you know, that a lot of them were of a very minor nature. You know, the 1,000 figure looks pretty large, but when you get down to the compensation cases—

**Mr. Martel:** Yes, those are the ones I am talking about.

**Hon. Mr. Bernier:** The number of lost-time accidents—

**Mr. Martel:** And light duty!

**Hon. Mr. Bernier:** And light duty, yes; it is not a realistic figure. I mean any accident, one accident is too much as far as I am concerned.

**Mr. Martel:** Yes, but the point I am making, Mr. Minister—let us not draw the red herring, I have not made much of the total figures—the areas that I am concerned about and I have indicated are the lost time and the light duties. I am not making much of the other accidents; these are invariably going to occur because it is a pretty rough industry. My area of concern is the lost-time accidents and the light duty; I just do not think the company can have it both ways. You cannot have your cake and eat it too. That is the simple one.

There is a letter I wrote to your predecessor—I want to get these in the proper order, Mr. Minister, because you know we spent a good deal of time on a mining bill and I tried, along with my colleagues, to have the unions have the say in safety and not just management. One of the issues in particular was that the union should have the right to have part of the safety committee at the site of a fatality. All during those hearings on Bill 2 we got all kinds of advice from the department and no one in the department, when we particularly came to that point, bothered to advise us that in the United States by legislation of the federal government since 1941 the unions have had the right to have someone at the accident site—in fact, by law. Your staff did not tell us a damn thing about that

when we were talking about these during the debates on Bill 2—not a ripple, not a murmur.

I am sure they were aware of it, as they were well aware of every other law we discussed. They used it, they threw them at us to make sure that we knew why you people were taking the position you did in this bill.

I find it difficult to understand why they would not have advised the minister—maybe he knew—and the deputy minister, that when we were raising this point there was an example. Because they gave us all kinds of examples of why they should not include it, why the Americans were not including this, that or the other thing. Why did they choose not to advise us of the agreements in the United States that the unions had the right to have a man at the accident site?

I wrote the former minister, by the way, a rather lengthy letter in December, and I awaited a reply. And then you recall, Mr. Minister, I sent you a note across the House to get a reply, and I am still awaiting a reply. That is December 1, 1970, and here it is June. I have prompted you—

**Mr. J. N. Allan (Haldimand-Norfolk):** You should not write such long letters.

**Mr. Martel:** Well, it is not a long letter; it is only a page and a half. But it was interesting—

**Mr. W. Newman (Ontario South):** Did you write it before or after?

**Mr. Martel:** You were right there. You supported them. Every time we made a move you jumped up to support the government.

**Mr. Allan:** Finally the union supported it too.

**Mr. Martel:** You got up to support the government every time.

**Mr. Allan:** Of course they did. In the end the unions were completely in favour of that.

**Mr. Martel:** Do not distract—

**Mr. M. Makarchuk (Brantford):** The member for Haldimand-Norfolk (Mr. Allan) moves up and down a lot more than the new bridge at Port Dover.

**Mr. Martel:** I can just put a letter on the record then, Mr. Minister. It is addressed to Mr. Roger Cook and it is from Rex W. Locke, United Mine Workers Journal, 1437 K Street, Washington, DC:



I am enclosing a copy of the journal story about the coal mine disaster of West Frankfort, Illinois, in December 1951, after which President John L. Lewis went underground as a member of the investigating team. We have had the right to investigate fatalities ever since passage of a federal Coal Mine Safety Act in 1941. Usually such investigations are made by district safety co-ordinators or local safety committee men.

By the committee men—

**Mr. W. Newman:** You said coal mines only, did you not?

**Mr. Martel:** No, I am just saying this is—

**Mr. W. Newman:** That is what it says there.

**Mr. Martel:** The federal Coal Mines Safety Act. Well, we will come to the rest:

Since 1947 each local union has had the right under our contract with the industry to elect a safety committee. Since 1952 these committees have had the right to close down mines—close down mines—or a section of mines they feel present imminent danger of disaster.

In the case of a major disaster, our safety directors and occasionally even international presidents have gone underground to participate in the investigations, which are usually conducted by the state government with federal participation. I personally have participated in all of them.

As you can see, we have the right to investigate fatalities, under our contract with the operators, which provides for the safety committee men, and grants them investigative powers, and also by federal law. I am also enclosing copies of our contract with the operators, the Federal Coal Mines Safety Code of which is included in contract by reference, and the Federal Coal Mine Health and Safety Act of 1969.

If I can be of further assistance, please let me know.

Now why would your staff not even advise that by federal law, these people had the right? The red herring is being drawn in, of course: Coal mines. But why would we not have been advised that such a law existed in the United States and why have I not got an answer in six months?

**Hon. Mr. Bernier:** Well, if I may reply to that. My people tell me you have a reply.

**Mr. Martel:** Oh, I do not.

**Hon. Mr. Bernier:** I saw a reply and I think it stated that the minister at that time thought it was a matter for your own negotiation at the local level—

**Mr. Martel:** No, I am sorry.

**Hon. Mr. Bernier:** —between the company and union.

**Mr. Martel:** I have never—

**Hon. Mr. Bernier:** And further, if I may just add a little comment to this. When there is a fatality, I think the member knows quite well that the OPP do a very intensive study. They provide a report. The company itself does a very intensive report on the situation.

**Mr. Martel:** The local?

**Hon. Mr. Bernier:** Yes, the company itself.

**Mr. Martel:** Oh the company. Yes, the company.

**Hon. Mr. Bernier:** Yes, that is right. Then there is an inquest. And of course the department staff do a thorough investigation. So at any time, even at the inquest, if the union would like—as I understand, also one of the companies in Sudbury has invited a member of the union to accompany them to examine the site where there has been a fatal accident.

**Mr. Martel:** Is it Dow?

**Hon. Mr. Bernier:** They say it is Falconbridge.

**Mr. Martel:** No way, no way!

**Hon. Mr. Bernier:** Yes, there was one of them, when I was up there last week.

**Mr. Martel:** No way. They threatened Norm Stevens with being fired if he went to visit a fatality site.

**Hon. Mr. Bernier:** No, he was asked. The company asked him to accompany them down there on one or two or three occasions.

**Mr. Martel:** Well, I do not know; I talked to Norm Stevens not too long ago. He is the secretary for Mine Mill and has been threatened that if he went to the site he would be fired.

**Hon. Mr. Bernier:** Well, this was brought to our attention.

**Mr. Makarchuk:** Let us face it, Mr. Chairman—

**Mr. Martel:** But let us face reality. This is by federal law that the union has a right to be there. Now why in God's name cannot this government give the same rights as the unions have requested, for them to visit the fatality site in each and every instance?

**Hon. Mr. Bernier:** In our discussions with the union at Sudbury there was quite a healthy discussion; I regret that you were not there, Mr. Martel.

**Mr. Martel:** Good. So do I.

**Hon. Mr. Bernier:** It is too bad because—

**Mr. Makarchuk:** The point here, Mr. Chairman, is—

**Hon. Mr. Bernier:** Just a minute. Just wait till I finish; just wait till I finish. It was brought up at that time—and some very interesting points were brought up.

**Mr. Martel:** They would like to visit the site though, would they not?

**Hon. Mr. Bernier:** Right.

**Mr. Martel:** Right.

**Hon. Mr. Bernier:** And they had some good points, I agree.

**Mr. Martel:** Right.

**Hon. Mr. Bernier:** But I think that this is a point maybe that should be negotiated—an agreement reached between the union and the company.

**Mr. Martel:** Well now just a minute. What kind of game are these unions supposed to play? Because here is a quote from your predecessor. Just last year, November 12, he said:

The other remarks of the other members were a little bit more germane to it. I just do not believe that the subject of safety in mines is a matter to be bargained for or against over any bargaining table.

Now you cannot have it both ways either. Every time you get a new minister it is a new approach. That is his approach. You do not bargain safety. Now your approach is: We bargain safety. How are we supposed to follow you?

**Hon. Mr. Bernier:** I do not think this is bargaining safety at all. This is just—

**Mr. Douglass:** No.

**Mr. Martel:** Sure it is.

**Hon. Mr. Bernier:** You are talking about fatality.

**Mr. Makarchuk:** Mr. Chairman, what it really is is the fact that what we have tried when we were passing that bill is to introduce amendments; and one of them was within that particular section; to give the worker a slight say in the functioning or the operation of his workplace or the plant or the mine or wherever he is employed. And the reason the government rejected it—and let us be straightforward—is that you are not prepared to give the worker any say in the conditions under which he is employed.

**Hon. Mr. Bernier:** Oh yes, yes.

**Mr. Makarchuk:** At that time I stated it is a very reactionary, backward, sort of 19th or 18th-century attitude, and you are still sticking to that attitude. It is not a matter of negotiations; it is not a matter of anything else; it is a matter that you have this ideological hang-up; you are not prepared to give the worker a chance to say what happens to him.

**Mr. Martel:** Tell me why, Mr. Minister, when we went through that bill—you were on that committee—we got all kinds of information, but we were told about that one. That is an interesting little sidelight. But why were we not told about that one?

**Hon. Mr. Bernier:** Possibly, you know—

**Mr. Martel:** Because I can remember Mr. Smith sitting there. Every time we brought up an argument, Smith had all the books out and he told us about all the Acts which were in existence, you know, and why you could not have it. Why did he not tell us about this one? He must have known about it. Why did he not give us that little bit of information, that there was, by federal statute in the United States and by state law, the right to visit, for the union to have a member at the site of the fatality assisting in the investigation?

**Mr. Douglass:** Is it the law of the state too?

**Mr. Martel:** I think it is a state law. Well all right, we will leave it as federal.

**Mr. Douglass:** Be careful. There is quite a difference there.

**Mr. Makarchuk:** It does not matter really.

**Mr. Martel:** Well just a minute, I will just check it out.

**Mr. W. Ferrier (Cochrane South):** This is something this government does not want. It is an ideological hangup, as the member for Brantford said. They just do not want to let men have any say in the whole matter.

**Mr. Martel:** I would retract the statement. You knew it was there though, did you not?

**Mr. Douglass:** No, I did not.

**Mr. Martel:** No one in The Department of Mines in the safety department knew this law existed?

**An hon. member:** Did you know this law existed?

**Mr. Douglass:** Not until we saw that letter that Mr. Martel wrote to us.

**Mr. Stokes:** Who does the research?

**Mr. Douglass:** We have no coal mines in Ontario.

**Mr. Martel:** So it is coal mines. But you are just drawing the red herring—

**Mr. Douglass:** These are the laws you are referring to.

**Mr. Martel:** Right. Sure I am.

**Mr. Douglass:** Well why would we worry about coal mine laws? We have got our own laws.

**Mr. Martel:** You have never had a coal mine in Ontario.

**Mr. Douglass:** These are hard rock metal mines.

**Mr. Martel:** Right: You have never had a coal mine in Ontario.

**Mr. Jackson:** Surely, Mr. Chairman, we talked about all kinds of mines. We were not talking about hard rock metal mining. We talked about salt mining even during that committee.

**Mr. Douglass:** This is what the Act is for. It has never—

**Mr. Jackson:** Nevertheless it also covers salt mines.

**Mr. Martel:** What is the difference? It covers the whole mining field. What difference does it make?

**Mr. Douglass:** It makes quite a difference in coal mining.

**Mr. Jackson:** Surely you cannot say because a man works underground in a coal mine it is any different than working underground in a metal mine. It does not make any kind of sense.

**Mr. Martel:** There has to be some reason for bringing it in. It is giving the unions a right to see the fatality site. All right. What is wrong with Ontario granting the employees the same thing?

**Mr. Douglass:** In the first place you have members of the union involved in there.

**Mr. Martel:** They cannot get to the site.

**Mr. Douglass:** They cannot add anything to it.

**Mr. Martel:** What can they add in the United States then that the federal laws in the United States would give them permission to visit?

**Mr. Douglass:** I think your argument before was that you did not want the scene changed, or there would be no check.

**Mr. Martel:** That is one argument, yes. Because it has certainly been reported to me on more than one occasion that the scene has been altered.

**Mr. Makarchuk:** If the company does not have anything to hide why would they be so reluctant about having the worker there? And if you have nothing to hide why are you so reluctant about introducing this legislation then?

**Mr. Douglass:** Because we do not think it will add one bit to safety. This Act is for the protection of the health and welfare of the miners, and nothing else.

**Mr. Jackson:** Yet within that Act it says management has the right to decide the conditions under which a man shall work, if it is not written in that book. Otherwise management can say to a worker: "You are going into that area, you are going to do that job." And if the worker refuses he can be fired at that moment.

It is the same situation. They can alter the scene of an accident with the permission of the mine inspector, who might be 100 miles away on a telephone.

**Mr. Douglass:** They cannot remove—



Mr. Martel: Oh yes, they can.

Mr. Jackson: Then we come back in and say to the mine management: "You have altered it." And they say: "Sure we have altered it. We had permission from The Department of Mines. We do not know what happened."

Mr. Douglass: It is only by permission of The Department of Mines.

Mr. Jackson: And yet the accidents are happening over and over again. Surely the union and the men have a right to have some say in their own safety?

Mr. Chairman: We have lost considerable latitude in this and there is an order of speakers. I would suggest that Mr. Martel continue and then we will go to Mr. Ferrier, Mr. Jackson and Mr. Haggerty, in that order.

Mr. Martel: I think I want to discuss a variety of items, one by one.

Mr. Chairman: You continue, Mr. Martel.

Mr. Makarchuk: On the same point? Are you continuing on the same point?

Mr. Martel: No, go ahead.

Mr. Makarchuk: Well on the same point—

Mr. Chairman: You are strictly out of order.

Mr. Makarchuk: No, the member for Sudbury East intends to move on to another point.

Mr. Chairman: Mr. Makarchuk, your name is on the list and you will take your turn the same as everybody else.

Mr. Makarchuk: Mr. Chairman, if you have paid attention to what has been going on in the House and in committee, when we get on to a point we generally exhaust the point and then we move on to another point. And I want speak on the same point.

Mr. Chairman: Fine, you will have a chance to speak on the same point.

Mr. Makarchuk: The member for Sudbury East wants to move to another point.

Mr. Martel: I gave up the floor.

Mr. Makarchuk: What we want at this time is the minister's own opinion on this matter. Do you intend—

Mr. Chairman: Hansard is objecting to this type of thing. It is not getting it properly recorded. You can maintain order just the same as everybody else.

Mr. Jackson: On a point of order, Mr. Chairman, when we start talking on one point, surely we are not going to leave that and come back to it an hour later and have a disjointed conversation?

It might be disjointed now, it will be—

Mr. Chairman: I do not expect that you are dealing with one subject. You are dealing with mine safety. And there is no desire to throttle anybody, they will still have their opportunity, and I presume the other people on the list wish to discuss that same subject.

Mr. Makarchuk: On the same point, Mr. Chairman, if you would stop being so bullheaded about it you would realize the practice in the House has been that if we work on a point we exhaust the point and we move on to another point.

Mr. Chairman: However, it is done in order. The chair has recognized each person.

Mr. E. W. Sopha (Sudbury): I wonder if is parliamentary to call you bullheaded or did he say boneheaded?

Mr. W. Newman: That is a bright remark.

Mr. Chairman: I would suggest that Mr. Martel is capable of finishing his own contribution, and I would suggest he be permitted to do so and then each of you gentlemen can take it in order.

Mr. Martel: All right. Mr. Chairman, the minister has just agreed that with the permission of someone from his department a body could be removed, and so on. Do you not think that it would relieve some of the anxiety that the union has that things are being tampered with if they had a member of the safety committee there at the time when your representative was giving the company the right to move the body—that it would dispel fears of any hanky-panky? That is all that is really at stake.

Mr. Douglass: I doubt if they have any such fears.

Mr. Martel: They do. I talk to these people every day of the week, and that is what their concern is. And I do not see why it is such a big thing for his department to allow the unions to have a representative—the steward

who is on shift at the time, or so on—to be there immediately with the rest of them to investigate the fatality.

**Mr. Douglass:** The hon. member went through this whole thing when the Act was being formulated.

**Mr. Martel:** Right, and I bloody well did not know this existed, and you did not help us to find out.

**Mr. Douglass:** What do you hope to gain now the Act is printed and is being enforced?

**Mr. Martel:** What is wrong with an amendment? Would it kill the government?

**Mr. Douglass:** Is this what you are asking for?

**Mr. Martel:** Yes, an amendment. Amend that section. Allow the union the right to have a man at the fatality site. What is so horrible about it?

**Mr. Douglass:** There is nothing horrible about it, but we do feel this is a—

**Mr. W. Newman:** Introduce a private bill.

**Mr. Douglass:**—matter of negotiation between you and the company.

**Mr. Martel:** Your predecessor is in the way.

**Hon. Mr. Bernier:** As I have stated before—you are asking me for my opinion?

**Mr. Martel:** Right.

**Hon. Mr. Bernier:** All right. As I have stated before, The Department of Mines and Northern Affairs does a very intensive study of any fatality.

**Mr. Martel:** Right!

**Hon. Mr. Bernier:** The Ontario Provincial Police, who are very qualified, along with the very able members of my department, do a very intensive study and file a report. The company does too. There is an inquest and you, as an individual or as a union representative, can be there.

These, in my opinion, are very thorough investigations. All the facts are brought out.

Now you are also aware that with The Mining Act we are to set up a committee and we will be setting up a committee.

**Mr. Martel:** Oh, “will be”—not two months or six months ago?

**Hon. Mr. Bernier:** We will be. I am working on that. We will be setting up a committee to bring in amendments to The Mining Act. If this is something they want to look at and bring in as a suggestion to me, I will certainly give it every consideration.

**Mr. Martel:** I would hope so. All I have been asking for is that this matter will be considered. I hope we can get a reply on it. How long will it be? By the way, when will this committee be set up?

**Hon. Mr. Bernier:** The Act only went in on January 1.

**Mr. Martel:** Oh, Mr. Minister, your predecessor promised that committee—he started hearing about that committee last May or June.

**Mr. Douglass:** During the discussion of this Act.

**Mr. Martel:** Right.

**Mr. Chairman:** Mr. Ferrier.

**Mr. Martel:** Mr. Chairman, I have 11 topics to discuss. It is all on safety.

**Mr. Chairman:** Your associate suggested that in regard to mine safety they want him to discuss this point. I assume he wants to continue on this point.

**Mr. Martel:** All right, let them put their point.

**Mr. Jackson:** You go ahead.

**Mr. Evans:** If the member's colleagues will just listen they will learn something.

**Mr. Makarchuk:** We will stick by the rules.

**Hon. Mr. Bernier:** You are the important cog in the wheel, see that?

**Mr. Martel:** By the way, have the unions been refused permission to testify at inquests? If there are certain questions the union wants asked which the Crown attorney does not feel are fit? You say everything comes out and yet there are pertinent facts which the union frequently wants brought out, and they have no way at their disposal of getting those questions asked at an inquest. They, as people who work underground constantly, or work in the smelters, feel such questions are relevant to the how, why, when or where, the guy got killed.

**Mr. Douglass:** You are on the wrong vote. This is the Attorney General's department which you are discussing.

**Mr. Martel:** I am fully aware of it. In defence of not allowing the union member there, both you and the minister have repeated on at least two occasions that there was an inquest wherein all the information could come out, and I am saying that is not quite right either.

**Hon. Mr. Bernier:** That is the purpose of an inquest.

**Mr. Martel:** Right, we all accept the purpose of the inquest. The only thing is relevant material to accidents, fatalities, very frequently never come out.

**Hon. Mr. Bernier:** Then I suggest you take this to the Attorney General.

**Mr. Martel:** Mr. Minister, I have put them on the record so many times in the Attorney General's estimates and all we get is a backlash. Constantly the questions have been put in at inquests on mining fatalities—I am sure you have seen the transcripts where questions have been objected to and never been put forth.

**Mr. Douglass:** And you are fully aware, Mr. Martel, it rests in the opinion of the Crown attorney whether the question is relevant or not?

**Mr. Martel:** Right. But the Crown attorney does not work underground.

**Mr. Douglass:** We have no say in what the Crown attorney does. We do not conduct the inquest.

**Mr. Martel:** The Crown attorney does not work underground either, so he does not know everything about underground operations as my learned colleague across the floor might agree, I do not know. Would the member for Sudbury suggest that they know everything about it?

**Mr. Chairman:** Would you continue with your discussions?

**Mr. Martel:** Oh, I am. I do not want to be rushed. These things are very important.

I received a letter from you recently which stated you did not believe that men would lose their jobs or be penalized in the event that they objected to what the company was forcing them to do.

Do you recall writing that recently?

**Hon. Mr. Bernier:** Right.

**Mr. Martel:** I have a case here where 69 men are in the process of being penalized, one or two at a time, for walking off the job. I have the grievances. I have signed statements by the various men in the nickel reverber department of the Copper Cliff smelter plant at Inco, wherein the gas conditions and conditions in general got so bad that 69 men walked off the job. One of those men—and Mr. Hughes was there when we discussed it—has about 30 years with Inco and never had a black mark. Conditions were so bad he walked out with the other 68 and penalties, ranging up to five days, have been assessed against the men.

Your predecessor used to give me assurances that no man would be penalized for this sort of action. For 3½ years your whole staff knows I have been pursuing one main theme with respect to SO<sub>2</sub>, to find some method whereby we could have the men removed from an area of extreme concentrations of sulphur dioxide. We have always had the assurance that nothing would happen to these men, if conditions became so bad that they walked off. That did not occur. In fact, that is what the meeting in your office is for next week.

**Hon. Mr. Bernier:** That is June 17, I believe.

**Mr. Martel:** Right.

**Hon. Mr. Bernier:** They are coming in and we are going to discuss this together.

**Mr. Martel:** The point is that Mr. Hughes and Dr. Mastromatteo and I, along with representatives of International Nickel, Falconbridge, United Steel, and Mine Mill met recently to discuss this problem. By and large, we had agreement, we thought, on that occasion, for the men to have the right—pardon me—we thought we had agreement that all three bodies interested—four, including Dr. Mastromatteo—would sit down and draft out guidelines. Not legislation, because you people are opposed to legislation with respect to SO<sub>2</sub>, and noxious gases, because the threshold limits are always being changed and there is nothing consistent.

We thought we had agreement that there would be several formal meetings between the International Nickel Company, Steel, The Department of Mines and The Department of Health, to work out a series of regulations wherein men could be replaced or get out of an area of extreme concentration of gas and,



at the same time, the length of time they should have to wear a mask.

That fell through. We were going to try it for a year. The agreement that came out of that meeting on that day was that it would then be tried for a year to see if it would work. Needless to say, your department agreed; Dr. Mastromatteo agreed; the two unions agreed to such meetings, but our friends at Inco did not. Although they had representation there on that occasion, they have subsequently changed their mind. You have indicated it comes again to the collective agreement and, again, I put it to you that your predecessor saw it in a different light.

I ask the question, with each time that we have a new Minister of Mines, the policy changes. One Minister of Mines says, no; health and safety is not subject to negotiation. I have hon. A. F. Lawrence's statement right in front of me.

You say in your letter that it is subject to The Labour Relations Act. Who is right? Or is there a change in policy every time? What do we do?

Every time there is a new minister, there is a new approach? Is that part of the ploy used to make any headway or what?

Mr. Douglass: I do not think you are being fair, Mr. Martel. There is no change in policy.

Mr. Martel: I read what the minister says—

Mr. Douglass: The minister is just as interested in safety as you are.

Mr. Martel: I will find the letter then, wherein the present minister says, send it to labour relations; it has to become involved. Your predecessor, the former minister, said, no.

Mr. Douglass: There are certain things that are negotiable.

Mr. Martel: Right. Certain things are negotiable. What is this one under? What category do you put this one under then, that the men have a right to leave an area of extreme exposure to SO<sub>2</sub> without jeopardizing their jobs?

Mr. Douglass: I think you also will agree that those men have a right, and they are given a right, to have a reading taken.

Mr. Martel: Right. And the threshold limit established by—and copies were sent to you—is ten parts per million.

Mr. Douglass: Five parts per million.

Mr. Martel: It is 10 parts per million that the company is working from. Is that not right, Mr. Hughes? Is that what was quoted that day, that the whole agreement was 10 parts per million, was it not?

Mr. J. M. Hughes (Mines Inspection Branch): That is laid out in the procedure. But they still have to live within the guidelines of the American Conference of Governmental Industrial Hygienists.

Mr. Martel: Except what did you do to protect the 69 men who walked off the job, because the concentrations were too high?

Mr. Douglass: How can you protect them, if it is not justified.

Mr. Martel: But it was. It is at fourth stage now.

Mr. Douglass: That is not the story we get.

Mr. Martel: Oh. A man with 30 years seniority who has never been in trouble once in his life in working for the same company, walked off the job.

Mr. Douglass: How many times?

Mr. Martel: That was the first time he had ever had a black mark against him.

Mr. Douglass: He has never done it since.

Mr. Martel: No; because they are afraid of losing their jobs.

Mr. Douglass: This only happened in one case.

Hon. Mr. Bernier: Are we going to discuss this case now, today, or are we going to go at it again at the meetings? I think I agreed to meet with all these fellows.

Mr. Martel: Right!

Hon. Mr. Bernier: Certainly I want to hear their side of the story, but are you leading the case now, or do you want to follow it through and forget about the meeting on June 17?

Mr. Martel: No, I want to follow up—

Hon. Mr. Bernier: I would, but I would sooner get those fellows involved.

Mr. Martel: I want to follow up the original, to find out whether you can use a little bit of force, if necessary, even a threat of legislation to make this company sit down with representatives—I know Mr. Hughes

agreed to be there; Dr. Mastromatteo certainly agreed—to let us set down a set of regulations which everyone will abide by for one year to see how it works, rather than introduce legislation which you do not want to introduce. That is all I would like to see done. I think it is a very rational request.

**Mr. Douglass:** It certainly is, and there is provision for that. We have procedures.

**Mr. Martel:** But the company refuses to come to the meeting.

**Mr. Douglass:** Oh.

**Mr. Martel:** Oh! That is the crunch. I have got the letter here signed by Mr. Fraser. Oh yes, this is in response to the letter:

This will acknowledge your letter of April 28 and the copy of your letter to the Hon. L. Bernier, Minister of Mines and Northern Affairs, in which you suggest that a meeting be held to establish written guidelines with respect to exposure to sulphur dioxide.

I have reviewed with Mr. Kossatz, our superintendent of safety, the discussion which took place at the meeting of April 23 in which Dr. Mastromatteo explained the meaning and application of TLV's and gave his personal views on the use of respirators. I am also informed that there was a discussion of the general guidelines contained in the instructions issued by the company to smelter employees concerning sulphur dioxide levels and the use of respirators.

The company's stated policy is that employees shall not be permitted to work in conditions injurious to health. The union, through its safety and health committees, has the opportunity at any time to discuss with the company the working conditions in its plants, including sulphur dioxide levels, and, in fact, there have been a number of meetings on this subject with the union in the recent past.

We believe this to be the proper channel for dealing with matters of this nature and every effort should be made to follow this accepted procedure.

The unions feel that, if the regulations could be put down in writing by all parties, with Dr. Mastromatteo there because of his expertise in the field of sulphur dioxide and his own opinions on how long the men should work with respirators, they would be willing for a year to try out to the letter of the law the regulations which would come from that.

It would establish a precedent, probably, and we might start to have a little bit of industrial harmony.

But they refuse, the company refused to attend the meeting. What do we do now? That is the point I want to make with you. Can you use pressure?

**Mr. Douglass:** They refused to go along with the procedure?

**Mr. Martel:** They refused to go along with the meeting which would put the regulations out in writing.

**Mr. Allan:** Who was calling the meeting?

**Mr. Martel:** The Department of Mines was going to call the meeting.

**Hon. Mr. Bernier:** It was going to.

**Mr. Martel:** Right. They agreed. Mr. Hughes was there. I am not putting words in Mr. Hughes' mouth, I do not want to put him on the spot, but Dr. Mastromatteo certainly felt it was a good idea. The unions indicated, and even the company representatives on that occasion felt, that it was not a bad idea and that maybe everyone could try to live within those regulations for a year to see if we could get away from all this flak all the time. The company refused and we are back at square one.

**Mr. Douglass:** Should we have a company representative at our meeting on June 17?

**Mr. Martel:** We have no objections, absolutely none, but bring somebody from the top. Do not bring somebody who is going to agree to something and then, once everybody leaves under the impression that now we have made some headway at last—I am sure your staff felt it; I know that Dr. Mastromatteo felt it; we did. And what happens? You send some Joe boy along, and when the proposal goes back to the big brass they just veto it. What is the sense? It has wasted my time; it has wasted Mr. Hughes' time and Dr. Mastromatteo's time, because what we thought was finally a break in trying to get some harmony going and some set of regulations whereby people knew within which terms they could leave the place of work when the gases were extreme, and when at last we were making some headway; there is the reply.

**Hon. Mr. Bernier:** As I understand it, the company is meeting on an interim basis—

**Mr. Martel:** Twice a year.

Hon. Mr. Bernier: Twice a year?

Mr. Martel: Right!

Hon. Mr. Bernier: Could not this be discussed and brought to a head at that particular time?

Mr. Martel: It does not seem so. The meeting was for that specific—

Hon. Mr. Bernier: I do not think that every time there is a problem we should come around and bring in amendments. It is something that should be part of your collective agreement, or the union's collective agreement, with the company.

Mr. Martel: We are not even talking about a collective agreement. We are not talking about amendments to the Act; we are talking about just drafting a set of regulations with the expertise—

Hon. Mr. Bernier: Make this a contingent of your next union agreement.

Mr. Douglass: Not only that, Mr. Martel, there are safety meetings surely with the company.

Mr. Martel: Yes, right.

Mr. Douglass: Then why do they not—

Mr. Martel: They just do not make any headway, Mr. Douglass. Let us hear from Mr. Hughes. He was at the meeting and heard the concerns expressed there by the unions, and the agreement by the companies that it would not be a bad idea to meet. Why did they become negative after that?

Mr. Douglass: There is an SO<sub>2</sub> procedure now in effect since November 27, 1970.

Mr. Martel: Right.

Mr. Douglass: Guidelines of the Conference of Industrial Hygienists are also followed. Results from these are working out quite well.

Mr. Martel: Ten parts per million.

Mr. Douglass: Inco feels that, this being the case, the place to process this is through the safety and health committees.

Mr. Martel: That was in the letter. I just read it to you. I have seen the regulations, but it is 10 parts per million; it is not five.

Mr. Douglass: It does not say anything about the parts per million.

Mr. Martel: It is parts per million, and it is 10 parts per million. Maybe I have a copy here, I will just look in my bag of goodies and maybe I will find exactly where they indicate it has to be 10 parts per million. I will just look.

Hon. Mr. Bernier: While the member is looking, Mr. Smith, you might be interested in this bag of lignite samples I brought down from Onakawana Bay. Just pass it around.

Mr. R. S. Smith (Nipissing): Where?

Hon. Mr. Bernier: Onakawana.

Mr. Douglass: In the procedure I have here, if an SO<sub>2</sub> reading exceed 10 parts per million at any time, steps will be taken by the area supervisor to alleviate the situation as quickly as possible.

Mr. Martel: Ten parts per million, but industrial hygienists say five parts per million. The bone of contention is, what?

Mr. Douglass: Mr. Hughes, we can save a lot of time if you answer this man.

Mr. Hughes: We are talking about two different items.

Mr. Martel: I understand full well, Mr. Hughes, what we are talking about.

Mr. Hughes: You are talking about a TLV when you refer to five parts per million. When reference is made to 10 parts per million, it is a concentration and it is not a time weighted average, as Dr. Mastro-matteo explained it to you. This is the indicator which the companies use in order to reduce the SO<sub>2</sub> concentration within the in plant environment.

Mr. Martel: We are talking about five parts per million over eight hours as being acceptable; that is right. What you are saying is that ten parts per million does not necessarily go over the full eight hours, so that when you average it, it is less than, let us say, five parts per million.

Mr. Hughes: That is what Dr. Mastro-matteo explained.

Mr. Martel: Right, and what I am talking about is, what happens when it goes to 10 parts per million waiting for the reduction period?

Mr. Hughes: Do not forget—



**Mr. Martel:** You have got to take all the factors into consideration, have you not? Do you calculate that it was seven parts per million for one hour and six parts per million for another hour and eight and two—how do you know?

As I put it to Dr. Mastromatteo, it may be going to average out to five parts per million over eight hours, but you would not know, would you, ahead of time?

**Mr. Hughes:** I think you would know if you worked under a condition of over five parts per million.

**Mr. Martel:** You know it, but you do not even start to bring your regulation into effect until it hits 10 parts per million.

**Mr. Hughes:** Incidentally, this is the guideline which is permissible under the—

**Mr. Martel:** The company's guideline, not yours.

**Mr. Hughes:** No; that is not correct. The Conference of Industrial Hygienists permits a factor of two for a short exposure.

**Mr. Martel:** Right, a short exposure.

**Mr. Hughes:** And the five parts per million is based on—

**Mr. Martel:** Eight hours.

**Mr. Hughes:**—eight hours or 40 hours per week.

**Mr. Martel:** Right; I am fully aware of it. I am saying how can you predetermine when the shift starts, and it is six parts per million or seven parts per million, at what stage of the game do you know over the eight-hour period it is going to be equivalent to five parts for the eight hours?

**Mr. Hughes:** The whole point is that if a man suspects that the concentration is greater than five parts per million he then has permission to have his supervisor take a test in front of him.

**Mr. Martel:** Right!

**Mr. Hughes:** Then the supervisor will show him the reading. If it is greater than the five parts per million, then he has two recourses. One is to wear the mask which is provided, and to keep wearing it until the level is below the five parts per million.

**Mr. Martel:** That is the first problem that enters, because Dr. Mastromatteo makes the

claim that a man should not have to wear a mask for more than two hours in an entire eight-hour shift.

**Mr. Hughes:** He mentioned that this was his own personal professional opinion.

**Mr. Martel:** Right, his own personal opinion. This is why a meeting between company and union, in a safety meeting, is not going to have the same impact that it would have with people there from your staff and with Dr. Mastromatteo's expertise in that field. His opinion would affect the regulations that would be drawn up; his medical opinion—not the layman opinion of the union or the layman opinion of the mining officials—but his medical opinion would have a large bearing on how those regulations would come out. As such, they would attempt to live by them for a year.

That is why it is vital that people like Dr. Mastromatteo be in attendance when the regulations are being drafted. We try them for a year, because I am sure if it went for one year that the problem would be resolved, by and large.

**Mr. Douglass:** We depend on Dr. Mastromatteo. He is our consultant on this sort of thing.

**Mr. Martel:** Right: If we had him in on our regulations for a year, no one would have recourse to be complaining until the year was up. At that time the matter could be reviewed as to whether it was effective; whether it was first rate; whether there was a little defaulting.

It is not legislation. It would be a set of regulations arrived at in a kind of informal way but without being a law. You know, the limits of noxious gases keep going up and down; they keep changing their opinion. One of the complaints is that the reason you do not have to introduce it into legislation is that this is always fluctuating.

Here we had a chance to start something maybe positive, and they backed down. What kind of a club can you use for a change, just to get them to sit down a little bit and discuss this, with the medical expertise of Dr. Mastromatteo playing a significant part in the type of regulation that will come out and that tooth will abide by?

**Hon. Mr. Bernier:** After I have met with the fellows on June 17 and heard their side of the story, rather than looking for some political advantage to this argument. I will have a discussion and reach a decision and

maybe I will discuss it further with members of my department in detail. I certainly would be glad to do that.

**Mr. Martel:** Thank you.

**Mr. Makarchuk:** That is one of the first commitments we got.

**Mr. Chairman:** Mr. Ferrier.

**Mr. Makarchuk:** It is the second commitment we got out of the minister in these estimates.

**Mr. Martel:** I will come back. I will have a rest.

**Mr. Ferrier:** Yes, thank you, Mr. Chairman, I have got two subjects that I want to deal with. About four or five years ago The Department of Mines commissioned a study on the whole problem of silicosis among gold miners. I think about two years ago, the former minister announced that Dr. Paterson had been appointed to carry out this study and that a report would be made available in June, 1971.

I know from speaking to a great many miners, older men in my own area who worked in the gold mines, that the whole problem of silicosis and chest conditions is a major cause of concern. So many men who worked in the gold mines have chest conditions and they are seriously disabled and live very restricted lives. Often they do not live to be as old as others who are not in the gold mines. It is true that modern mining procedures have cut down the dust a great deal and the incidence of silicosis is not as great now as it used to be, or the implications of silicosis are not nearly as great as they were a few years ago.

At the same time, there are many men who are told by doctors that they have got dust in their lungs and so forth. Yet they go for their annual x-ray and they are told that there is nothing showing radiologically, so they do not have silicosis.

I was at a compensation board hearing not too long ago and one of the doctors from my riding went to testify on behalf of this particular widow whose husband died of silicosis. This doctor made the statement that he was of the opinion that the particular man had silicosis in terms of the clinical diagnosis that he had made. Yet, because there were not any radiological showings, the compensation board turned the man down.

He happened to say that a number of his colleagues in that area were very unhappy

with the whole procedure in the way silicosis was diagnosed and the whole approach that the government was taking to it. Of course, they would not come out and present a brief, I suppose, or go on record as expressing their dismay. In fact, many of the doctors will privately express their alarm and their feeling of discrimination and yet they will not go out and back a workman up.

I feel that this is a serious condition that afflicts miners—the whole field of chest conditions. If a man has worked 30 or 40 years in dust exposure, it seems to me that the man should not be turned down. Now, this study that you are bringing out; I would like to know when you are going to table it and what kind of an approach you are going to take.

Is it just going to be another study or are you going to amend the legislation as far as allowing silicosis claims for miners are concerned? Or is it going to determine the amount of dust that is permissible in mines? What is the whole purpose of it? What can we expect in terms of improvement for miners and those who have serious chest conditions? Is there going to be entitlement given to them for the chest conditions which they say, and I agree with them, have come out of their employment and the dust exposure of the gold mines?

**Hon. Mr. Bernier:** In answer to that question, Mr. Chairman, I would point out that the member is quite right in saying that there was a previous study made by Dr. John F. Paterson of Sunnybrook Hospital. On December 2, 1969, the former Minister of Mines commissioned this same doctor to do a further study into the incidence of silicosis among miners, and the efficacy of present preventive measures and methods of diagnosis and treatment.

He has, of course, the full co-operation of this Department of Mines and Northern Affairs and of the mining industry in general. Of course, the objective is to improve the miners' environment. Now this report was to have been in our hands by, I think, June 30, 1971. However, in March of this year he did contact me for a number of reasons as it was pointed out, he asked if I would extend his work to December 31 of this year, which I did.

The report will be tabled and will be available at that time. Until that is in our hands it is very difficult, of course, to make any decision as to where we are going with this matter. I can assure you that when the



report is in our hands we will give it a very thorough examination, along with the co-operation of The Department of Health and their officials.

**Mr. Ferrier:** Will the minister make recommendations, if necessary, to the Workmen's Compensation Board on the whole—

**Hon. Mr. Bernier:** Yes, we will.

**Mr. Ferrier:** —procedures regarding claims?

**Hon. Mr. Bernier:** Certainly, we will, on the results of that report and the study. We certainly will.

**Mr. Ferrier:** We will look forward to that report and what comes out of it.

The second point that I wanted to deal with is one that I raised in the House. Other members of this committee will remember last year when the town of Timmins presented their brief about areas in municipalities where there has been underground mining and the mines have ceased operation.

I believe, in recent years, there have had to be maps provided to The Department of Mines showing where the various workings near the surface have been so that if there was building or any kind of development on that land they will know what is underneath. I suppose part of the problem is that some years ago there were mines within municipal limits and no kind of maps were kept for the people so that there have been cave-ins and such that have been quite alarming.

Some statements were made a year ago that we had a serious problem on our hands and certain legislation and certain action was needed by The Department of Mines to ensure that there was not going to be some kind of major accident or disaster in our midst. One only has to think about the kind of thing that might happen to realize that safety procedures and means of ensuring that there are not cave-ins and so forth are needed where there has been underground workings; that these cave-ins are to be avoided if at all possible.

You made a statement, I believe, or answered my question in the House to the effect that you were bringing in new legislation or new regulations to make sure as far as possible that these safety requirements—more stringent safety requirements—were going to be made. What guarantee can you give, if any, about these mines that have closed down and maybe maps have not been kept? Is there any way you have of ascertaining that it is safe to go ahead with the type

of building—or have even playgrounds or such—built on those kinds of spots? What are you specifically doing about it?

**Mr. Douglass:** Yes, it is indeed true. We have all the underground mine plans of all our mines. Every year they are to be brought up to date. When they close down they give us a final up-to-date plan. This question was, as you indicated, a brief from the town of Timmins. Since that time we have had our district engineers come together and I believe they have finished a report; we have not received it as yet. One of the recommendations of that report will be to have these registered on the deeds of the property where there is underground work.

**Mr. Ferrier:** Beyond having them registered, is there any way of showing that if building goes on there, there is not much likelihood of any cave-ins or such? Is there not some way of further determining that if somebody buys a piece of property and builds an apartment or something like this, a disaster will be avoided by some kind of engineering methods? I am very much a layman in this.

At the same time you want to be sure that somebody does not go ahead and say, "There are underground workings here but I do not think there is any problem." Then there does develop a problem. I think we have got to try to find a way to head that off, is this—

**Mr. Douglass:** There is no way you can guarantee a thing like that; just let the buyer beware. If he knows there is an underground working there, that is his decision. I do not see how we could go any further than to indicate that there is an underground opening there, and that it is on his deed of the ground that he is going to buy. If we can do that, surely that is a big step forward. We have not done it so far.

**Mr. Ferrier:** Surely, if there has been an underground working and it has been fairly near the surface, let the buyer beware! Some unscrupulous person may decide to buy a piece of property and get it at a fairly decent rate and go ahead and build something. Somebody else will buy it and, you know, he will gloss it all over. He will buy it and some disaster may ensue.

I do not know whether that is sufficient, just to say let the buyer beware. I mean, there has got to be some further guarantee that if there is a very real danger likely to take place on some kind of building or development on an area that has been worked and the underground foundations and so on



for a building would not be safe that there has got to be some prohibition in that particular area, it is just too risky to proceed with any kind of building and it has got to be ruled out. I think that this is required.

**Mr. Douglass:** Well, I do not think there is any man who could indicate what is happening underground once a mine is closed, even if it is backfilled and water gets in. This is what happened at Moneta; it was all backfilled—sure, water comes in an opening that was not backfilled—I should say the stopes were backfilled, and eventually in time let go. But there is no way in the world that you can forecast what is going to happen to an old mine underground except to indicate that there is an opening there. If anybody is going to put an apartment house or something on top of an open mine I do not know what you can do about it except bring it to his attention.

**Mr. Ferrier:** Some information has got to be conveyed to the municipality—

**Mr. Douglass:** Yes. We are going to work there as well.

**Mr. Ferrier:** Somebody has got to take steps to say that this is just too risky to let anybody build there.

**Mr. Douglass:** Well, I think if they keep in contact with their district engineer—who, incidentally, will be working with the municipality on this—he could advise them, but I do not think he could guarantee anything to anybody who is going to build over an open mine. I do not think there is a man alive that can do a thing like that.

**Mr. Ferrier:** I know it is a problem not only in my own area but in my colleague from Timiskaming's and other areas, and there are serious enough consequences that could ensue from this that I am not altogether happy that it should just be left too much to chance. Even with the maps I think—if there is a building permit applied for or something—that the municipality or The Department of Mines or somebody has got to give an opinion that according to the maps of the underground workings that are available a particular section is just too risky to build anything of any substance on.

**Mr. Douglass:** Your road out of Texas Gulf was built after they were advised that there was an opening to one side of that. But it was felt at the time—and it still is felt of course—

that there is no danger there. But there is no guarantee.

**Mr. Ferrier:** Well, I am sure you are aware of the situation at Pamour, where the road was pretty well built right through and all of a sudden the darn thing caved in and it was lucky that there was no car going by at the time. The Department of Highways, I understand, was told that it was not altogether safe and it was risky to build it there, and they went ahead and built it and they eventually had to re-route it around—

**Mr. Douglass:** I agree it is a problem and I certainly agree with you it is a good item to bring up. We will certainly do everything in our power to do what we can in this department to forestall any future cave-ins with buildings, where we can, but guarantee, no.

**Mr. Ferrier:** Do you feel that the legislation and regulations that you have now are sufficient to deal with this problem, or are you going to have to bring in some new legislation?

**Mr. Douglass:** No, I think we now demand that mine plans for all underground mines are brought up to date each year. When they close down, we get the final plans. I do not know what more you could ask for.

**Mr. Ferrier:** And these plans are in the hands of the district engineer, are they?

**Mr. Douglass:** That is correct.

**Mr. Ferrier:** And the municipality has full access to those?

**Mr. Douglass:** Wait. It has to be arranged with the owner of the property.

**Mr. Ferrier:** Surely the planning department or somebody from the municipality has a right to see those plans?

**Mr. Douglass:** There would be no problem.

**Mr. Ferrier:** I would hope not, because the planning department often has to rezone land and so on and it should have this kind of knowledge at its disposal when it makes decisions.

**Mr. Douglass:** This will be done. This is what the plans are. We have not received the report yet. Mr. Davis informs me that this is one of the recommendations that has come forth.

**Mr. Ferrier:** Well, I am pleased to hear that.

**Mr. Chairman:** Mr. Jackson.

**Mr. Jackson:** Yes, just several small points. Just to carry on with this point.

Right at the moment the township of Teck is doing an official plan. They spent a considerable amount of money. The official plan calls for a major construction project, an industrial project, to take place over old mine workings.

Prior to the plan being presented to Teck township, I am sure that there was no one consulted on mine workings, or the maps of the mine workings. Surely there has to be some way that we can say to the town planners, and to people who do planning, and to The Department of Municipal Affairs that they must keep a watch on situations like this so that we do not run into dangerous—

**Mr. Douglass:** They have been in touch with us.

**Mr. Jackson:** They have been in touch? Well, that is fine. But at the same time, if you remember during the hearings on Bill 2 we spoke of compensation—a fund that would be built by a five-cent tax per ton, or some way of building a fund, to compensate those persons who are either injured or who had a financial loss through no fault of their own—such as the person who lost the buses in Timmins. He parked the buses one night and when he came back they were gone. Has anything been done on this or has any thought been given to setting up such a fund?

**Mr. Douglass:** No.

**Mr. Jackson:** Do you not feel it is reasonable to—

**Mr. Douglass:** I think this is a civil case. They have to take the owner of the mine.

**Mr. Jackson:** That is fine, but if you remember at that time we discussed the fact that there are many of these mines where the owners have been long dead, that may have changed hands 15 or 20 times in between. It is just impossible to find out who owned it and should be responsible for it.

Surely a person who buys a piece of property today through a company that may have held it for 20 years but never did the mining cannot go back on the person who sold it to him? The mining company is not really responsible. I think it is one of those things that we as a government have to make provisions for, and you just cannot put the blame

on any specific person or any specific company.

**Mr. Douglass:** Well, Mr. Jackson, this is a point well taken, but I think this perhaps is something that our committee, when it is formed, will do something about.

**Mr. Jackson:** As long as some thought is being given to it.

To go back to Dr. Paterson and the silicosis study. If I remember correctly too, when we were talking about the terms of reference at that committee, his terms of reference were somewhat limited in that he was going to do his study based on facts already on file. He was not going out into the field.

**Mr. Douglass:** He has been to Europe.

**Mr. Jackson:** But I am talking about the study in Ontario. Is he going into the field in Ontario and doing a study here again? Is he going to look for facts and figures within Ontario?

**Mr. Douglass:** No, he has been to Europe as well. There is no restriction whatsoever.

**Mr. Jackson:** There are no restrictions whatsoever on his study?

**Mr. Douglass:** Not to my knowledge.

**Mr. Jackson:** Well, I wonder if the minister could table the terms of reference so that we could—

**Hon. Mr. Bernier:** I have here a copy of the release that the former minister made. It pretty well outlines it. It says here: "Mr. Lawrence emphasized in the announcement that Dr. Paterson will be given a completely free hand in carrying out his investigation."

**Mr. Jackson:** Is it a long release?

**Hon. Mr. Bernier:** No, it is just one page.

**Mr. Jackson:** I wonder if the minister would read it to us?

**Hon. Mr. Bernier:** Do you want me to read it?

**Mr. Jackson:** Yes.

**Hon. Mr. Bernier:** It says:

A leading authority in the field of pulmonary diseases will conduct a complete review and study of silicosis in Ontario mines, the Minister of Mines, Allan F. Lawrence, announced in the Legislature today.

Mr. Lawrence said that Dr. John F. Paterson, head of the Department of Medicine at Sunnybrook Hospital, will make a thorough study of the incidence of silicosis among miners, the present preventive measures and methods of diagnosis and treatment. This will, in effect, be an updating of Dr. Paterson's previous study conducted in 1958, and the first review of the results and developments for the prevention and treatment of silicosis since his findings were reported in The Department of Mines bulletin 158, published December, 1959.

Dr. Paterson is expected to have a new report of his findings and recommendations for delivery to the minister by June of 1971.

This has now been extended to December, 1971.

Mr. Jackson: Right! It was my understanding that he was just going to study records that he had and I realize—

Hon. Mr. Bernier: I can continue, there is more here:

Mr. Lawrence emphasized in his announcement that Dr. Paterson will be given a completely free hand in carrying out these investigations, and that he will have the complete co-operation of The Department of Mines, the mining industry, in their efforts to further improve the miners' environment. Silicosis, a lung condition arising from the inhaling of silicone dust particles, has been of continuing concern to the mining industry and the government.

In his 1959 report Dr. Paterson found that in the years immediately preceding his investigation there had been a dramatic drop in the incidence of disease among Ontario miners. He stated that adequate dust control and ventilation provided the most effective preventive measures. The purpose of this new study is to report on new materials, statistics and developments in the intervening years.

Mr. Jackson: Fine, I accept that. It was my misunderstanding, because I misunderstood it in the sense that I felt that he was just going to do a review of his own records.

Mr. Douglass: For your information, Mr. Jackson, he has gone to Europe to investigate some new development that he found out about, that is being carried out over there; and he has been over and back.

Mr. Jackson: Fine, I accept that, but to go back to what the member for Sudbury East was saying about these people that are told to go back to work as walking, ambulant cases in many cases; they go back to work with a back injury and several months or a year later one of us gets it as a workmen's compensation case. He has been disqualified or his claim has been denied on the basis that he did not relate his present injuries or present circumstances to his previous injury. And one of the problems that we run into all the time is that there is no record of his losing any time because of his back injury. We find that although he says he hurt himself, although his fellow workmen say he hurt himself, there is no record of it being serious enough for him to lose time because he went back to work and sat and did nothing.

I know of one case—and luckily we won it before the board—where a person was put out in the yard at a mine and told to work around the yard. For three months he did not do one tap of work by his own admission because he was unable to do it, but he lost not one day's pay either. But in the end when he finally had to succumb to the injury and become bedridden, the company said, "He has not lost any time, how could it be that he was hurt three months ago and has not lost any time?" It has happened time after time after time, and I am sure any member who has had any number of compensation cases will tell you that it is true. And this is one of the reasons that we say to you: Let us stop them taking people back who had fairly serious injuries. It is nice that they say they have no lost-time accidents; it is nice that they say that these fellows have been put back to work and that it is only a minor injury; it is very nice, it keeps their records down, but at the same time it is not fair to the workman who must, in a few months, or two or three years later, go back and fight a compensation case and in most cases lose it. He loses it because there is just no record of him ever losing any time, and if he has lost no time then the board says quite rightly that since there is no lost time in our opinion it was not serious enough and we cannot relate his present condition to the accident at that time. That has to change.

Mr. P. J. Yakabuski (Renfrew South): Were the accidents reported at the time?

Mr. Jackson: Yes, they were reported, but—

Mr. Yakabuski: No lost time?



**Mr. Jackson:** No lost time. He goes to the doctor and the doctor says he has a strained back and they put him on light duty for six months or three months—and you know a man can do certain jobs with a bad back. If they were to put him back in his own job he would very, very quickly succumb and have to take time off work, and at that moment we would know that the injury was severe enough, we would have a record of the severity of the accident, and in later months or later years when we had to go back to the board and try for a further extension of his benefits, we would have something to fight. But under the present circumstances, and I am sure that I can give you a dozen cases—

**Hon. Mr. Bernier:** This is a continuation of Mr. Martel's comments which I answered.

**Mr. Jackson:** Right, but I believe that something has to be done to keep those people off work, or make sure that adequate medical records are kept to show the severity of the injury and to show the type of duty that he is put on by the company so that we can go back and say, "There by the company's own record the man did nothing for three months."

**Hon. Mr. Bernier:** The point is well taken.

**Mr. Jackson:** That is not what shows up when we fight them before the board, and when the company comes down to fight back, that is not what shows up and it is not what they will admit to; so I just wanted to strengthen his argument.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Mr. Chairman, perhaps I might follow on the same line as the member for Sudbury East. I also have been making representations to Dr. Mastromatteo and Dr. Sutherland concerning problems with smelters in the province here. There was some discussion about the gold mines in northern Ontario and particularly in Porcupine. I happened to see a flow chart that the department had shown us and I was amazed at the number of persons employed in that particular industry that had family that had passed on or died from cancer and silicosis.

I think if the minister would—it is available to him, I am sure it is—if he was to see this chart I think he would have to say seriously that there is little done for the workers in this province dealing with mining and smelting. There is very little research done in the problems of silicosis—

**Hon. Mr. Bernier:** Oh we are having a very intensive study made at this time.

**Mr. Haggerty:** Intensive study in the last two years, this is right.

**Hon. Mr. Bernier:** It started in 1958.

**Mr. Haggerty:** Well, what have you done? The mine has been in operation for the last, say, 28 years.

**Hon. Mr. Bernier:** I cannot answer that because I was not here.

**Mr. Haggerty:** You cannot answer that no, but the department should be able to come up with some of the answers on this.

**Hon. Mr. Bernier:** The deputy minister tells me that there have been studies and research going on in this matter for years and years.

**Mr. Haggerty:** There is no research done. All you do is done by charts, you do not get into the problem itself. How can 52 persons in a department of environmental health perform these duties throughout this whole Province of Ontario? There is no way they can do that.

**Mr. Douglass:** They have been introducing aluminum dust into the miners' dries for years and years and now it has been copied by other countries all over the world. It was instigated at McIntyre Research Foundation.

**Mr. Haggerty:** What effect has aluminum oxide on the total environment?

**Mr. Douglass:** On the total environment?

**Mr. Haggerty:** Yes, I am talking about the health effects.

**Mr. Douglass:** They certainly agree that it has cut down the effects of silicosis in this province.

**Mr. Haggerty:** What about the asbestos mines?

**Mr. Douglass:** They do not use it there.

**Mr. Haggerty:** No, they do not use it there but you take the dust and pump it out of the mines and put it out into the atmosphere, do you not? And yet asbestos has just as great an effect on persons outside that mine as those working in the mine.

**Mr. Douglass:** You have to depend on ventilation in any dust condition. This is what has kept down our—

**Mr. Haggerty:** In other words, today the ventilation is as good as it is on your streets out here?

**Mr. Douglass:** In most cases it is.

**Mr. Haggerty:** In other cases it is not.

**Mr. Douglass:** Well there may be locations perhaps, but generally speaking, you go underground in a mine today and it is just as well ventilated as it would be in here, Mr. Haggerty.

**Mr. Haggerty:** In some certain mines probably it is, but there are other mines where there is very little being done.

**Mr. Douglass:** Oh, not in Ontario.

**Mr. Haggerty:** Not in Ontario?

Interjection by an hon. member.

**Mr. Haggerty:** Then why all the silicosis in the mines, and the cancer?

**Mr. Douglass:** You are talking about the early days.

**Mr. Haggerty:** The early days? I am talking about 10 years ago, that is not too early.

**Mr. Douglass:** Since 1945 how many cases have we had, 44?

An hon. member: Thirty-two.

**Mr. Douglass:** Thirty-two. That is very few.

**Hon. Mr. Bernier:** That is what Dr. Paterson says. Since his 1959 report, in the years immediately preceding his investigation there has been a dramatic drop in the incidence of disease among Ontario miners. This is attributable, of course, to dust control and ventilation provided in our mines.

**Mr. Haggerty:** He is probably going by the number of persons that receive compensation. But what about the other persons that do not receive it? I have a file here showing that a person worked in the mines and received nothing and yet he had silicosis; and you cannot establish that claim. I asked you here a few weeks ago if you had a reciprocal agreement with other provinces, and you said that you were working on it.

Interjection by an hon. member.

**Mr. Haggerty:** I believe I picked up some place that there were 38 samples analysed in the province here, and what I would like to

know is how many more are free of silica contamination? You have the samples taken, but how many of them were free?

**Mr. Douglass:** We would have to wait for Dr. Paterson to get the up-to-date facts and figures. You talk about reciprocity between the provinces. There is nothing as we have been working on that for some time.

**Mr. Haggerty:** What do you mean, some time?

**Mr. Douglass:** Mr. Davis tells me that this is going to be taken up by the Workmen's Compensation Board at a general meeting.

**Mr. Martel:** But is the Workmen's Compensation Board paying the compensation to the widows of those men who died in sinter plants of cancer in Sudbury?

**Mr. Douglass:** I do not know, but I would think that—

**Mr. Martel:** Well, they have only established it what, in the last two years or year and a half.

**Mr. Chairman:** Have you finished, Mr. Haggerty?

**Mr. Martel:** The reason I am objecting to it is because you mentioned—

**Mr. Haggerty:** A study by The Department of Health in 1969, I believe it was, says:

Industrial studies: Previous studies have shown an increase in lung cancer in certain occupations in the mining of nickel, in silver and cobalt refineries and in production of gas from coal. Though the exposure in these occupations was eliminated some years ago, cases have continued to develop among men who are exposed. The followup is being maintained on these men, and other occupations in the nickel industry are being studied to determine whether the increased risk of lung cancer extends to them.

Of course, there are still some operations carried on in the nickel refinery, and I find that the use of chlorine gas in the nickel industry—it is not the gas so much; but once it hits the other chemicals it results in gas mist, I guess you would call it—it creates quite a health problem. Yet I find there is no compensation allowed for it; there is no study being carried out by The Department of Mines—and I am dealing with smelters—and you sit back and you wonder and say, "Well, what the devil have you been doing for the

last 25 years?" You have been into this industrial boom and you have done very little.

If I could take you gentlemen back into what we used to call the "Black Hole of Calcutta"—

**Mr. Martel:** You have one of those too?

**Mr. B. Gilbertson (Algoma):** That is getting too far away.

**Mr. Haggerty:** That is not getting too far away. If some of these men would get out into the plants and make the inspections, as they should be doing, we would have this information. We can go back to the environmental health branch; when members such as the member for Sudbury East and myself brought this to the attention of the department, they said, "Well, if we had this information before, we could have done something."

Then we come to the part of the safety committees. Whether it is in a union shop or a mine that has no union, it is time that The Department of Labour or this department recognizes the safety committees, elected by a group of employees. Now the member for Sudbury East and I are not too far apart on this; I have a resolution here, suggesting an amendment to The Mining Act. It reads:

A safety committee shall be established for every mine, comprising equal representation from management and labour; and that the committee is responsible for ensuring that the safety provisions of this Act are complied with and shall forthwith notify the minister and the district mining engineer of any accident or injury to any workman in or about the mine.

Perhaps you do not agree with me, but I can tell you that similar legislation applies in the mines in England. If you care to do a little research on that, it is there—almost along the same line. But I think it is good. It is time that this department recognizes the safety committees throughout this province.

The deputy minister said before—I think he was away off base anyway—he could not quite see what the member for Sudbury East was trying to get to. But I say this much: If you have a safety committee there, you are going to have fewer accidents in the mines, and if they are recognized by management and by your department.

**Mr. Douglass:** We have safety committees in the mines.

**Mr. Haggerty:** But none where the men themselves have any voice in it.

**Mr. Douglass:** The men make up part of the safety committee. What more can you do?

**Mr. Haggerty:** Perhaps they are appointed by the company, are they?

**Mr. Douglass:** I do not know who they are appointed by.

**Mr. Martel:** Give them some power under the Act.

**Mr. Douglass:** They do not need power under the Act.

**Mr. Haggerty:** Certainly they do.

**Mr. Martel:** Sure they do. The whole of the Act is slated to defend management, to protect management; it is not there to protect the men.

**Mr. Haggerty:** There is no balance there whatsoever.

**Mr. Martel:** The men have absolutely no say in safety. It is all left to management to enforce.

**Mr. Haggerty:** But what preventive measures have you in cases of smelters and so on? I mean, there have been a number of complaints and charges laid here this afternoon about sulphur dioxide.

**Mr. Douglass:** We have had monitors in the smelters for years, continuously monitoring the sulphur dioxide.

**Mr. Haggerty:** But what about the long-term exposure?

**Mr. Douglass:** No one knows that.

**Mr. Haggerty:** No one knows that!

**Mr. Douglass:** But we have the third generation working in the smelters, and there are 4,000 25-year service people with International Nickel alone. It is that bad.

**An hon. member:** This is right.

**Another hon. member:** There is something wrong someplace.

**Another hon. member:** Some of the boys may be able to take a little bit more.

**Mr. Martel:** Except those who have any education now will not go into the smelters or mines.

**Mr. Douglass:** This is true.



**Mr. Martel:** It is one of their cries. The Winters report indicates that anyone who has a minimum of grade 12 will not go into the smelter and will not go underground. It is one of the problems the mining industry is facing in getting labour.

**Mr. Douglass:** That is possible.

**Mr. Haggerty:** But what have you done? You are talking about the third generation, but have you actually gone back and talked to some of those gentlemen who work in the mines? Have you heard them coughing and hacking? They are in ill health. They have to take an early pension. The answer is you have not. I do not think you have. You have not seen half the things that go on in industry today.

**Mr. Douglass:** I have only been around the mining industry for 34 years. I am sure a little bit would have rubbed off.

**Mr. Martel:** Where did you start?

**Mr. Douglass:** I started mining underground.

**Mr. Haggerty:** You probably sat down here in one of the air-conditioned buildings here. I believe it was only a couple of years ago that they put air conditioning into the overhead cranes in the smelters at Copper Cliff.

**Mr. Martel:** No real problem. They are putting them in now.

**Mr. Haggerty:** They are putting them in now?

**Mr. Douglass:** That is right. Quite right.

**Mr. Martel:** In fact, conditions are so bad frequently they cannot see from the crane to the ground.

**Mr. Douglass:** I walked over those cranes back in the Thirties and I had to put a handkerchief over my mouth. It was rough.

**Mr. Haggerty:** That is right.

**Mr. Martel:** It still is.

**Mr. Haggerty:** But you give them an apparatus to put over their mouth and nose. What is that good for? It is good for about five or ten minutes in heavy dust; then you have to throw away the cotton wadding and put another one on.

**Mr. Douglass:** I would have loved to have had it back in the Thirties.

**Mr. Haggerty:** This is right. But what effect has this on persons following long-term exposure in working conditions like this?

**Mr. Douglass:** I cannot answer that except to indicate we have several generations of people working in the smelter you are speaking about, and the company has 4,000 25-year employees. I think it speaks pretty well for itself that there has not been too much danger that we know of.

**Mr. Haggerty:** The answer is in the Health report here of 1969, "Industrial Studies"; it covers it pretty well. There have been persons who perhaps have never been sick in their days but they come down eventually with some industrial disease which was never even mentioned to your department or the Workmen's Compensation Board.

**Mr. Douglass:** Mr. Haggerty, every complaint that we get we investigate.

**Mr. Haggerty:** Pardon?

**Mr. Douglass:** Every complaint we get we investigate. We use The Department of Health environmental health people as our consultants; we go up there time after time and make surveys. We spent the last week making surveys in the Falconbridge smelter, and we will hear about this dust condition we were talking about. So would you say we had not done anything? This is not quite right.

**Mr. Haggerty:** You have done very little, I believe I said. I am just starting now to get into the picture, you know.

**Mr. Douglass:** I appear to be on the defensive, I know.

**Mr. Haggerty:** No.

**Mr. Douglass:** I do not want to appear so, because this Act that I have been advised to enforce for years has only one reason for its existence: the health and safety of the miner.

**Mr. Martel:** What does it say in the Act?

**Mr. Chairman:** Any further statements? Mr. Haggerty.

**Mr. Haggerty:** I know one way they could get around it, and it means in many instances that where there is a union contract there is always a clause—they come along to a person working in this type of industry—there is usually a little clause in there that says you can get 15 cents more an hour for doing dirty work. You have heard of that.

**Mr. Jackson:** We would not sign one of those contracts.

**Mr. Haggerty:** There are contracts that are being signed in the Province of Ontario in industry, perhaps in mines too, which have that clause in there, dirty money. And that is what it is there for, to get a person involved. You know, "Come on, this is a good deal for you. It is 15 cents more an hour, it may run \$2 more a day," or something like that.

They do not tell them about the side effects—the health hazards involved in this. And your department and The Department of Labour goes along with such a deal—even unions do, which they should never do.

**Mr. Jackson:** I think you would have to produce one of those contracts. No responsible union would sign.

**Mr. Haggerty:** United Steelworkers of America would sign it, I can tell you right now.

**Mr. Jackson:** You would have to furnish the contract before I would believe that.

**Mr. Haggerty:** That is a general practice set into it.

**Mr. Chairman:** Mr. Makarchuk.

**Mr. Makarchuk:** Mr. Chairman, we are back to square one. Maybe we could switch and have the minister be the deputy minister and the deputy take over the minister's job because the deputy has been answering all the questions. I just wonder where the minister stands on some of these things, he has been sitting there rather silently all along, earning his money.

**Mr. Yakabuski:** That is quite unfair.

**Mr. Jackson:** I do not think it is.

**Mr. Makarchuk:** The member for Renfrew South was silent too. I am glad he is alive.

**Mr. Gilbertson:** How long has the minister been here?

**Mr. Martel:** He has been around here longer than we have.

**Mr. Chairman:** Gentlemen, that is why the senior officials are with the minister.

**Mr. R. K. McNeil (Elgin):** He will be back and you will not.

Interjections by hon. members.

**Mr. Makarchuk:** I wonder if we could get some indication from the minister on the

matter of workers' participation—the workers' involvement—in some of the functionings of the plant. We realize that this is a philosophical question.

The last minister turned down the proposition that was put forward by this party and it is significant—I should make the record clear here again, as we have done on past occasions—that when the matter of safety committees was brought up in committee discussions and the amendment was moved to the bill, that the Liberal member voted with the Tories to defeat that particular amendment. Now he is arguing that they should have some say. It is very commendable that he has had a change of mind. Even the Liberals can move ahead; at least, it indicates that much.

But what I want to know from the minister himself, is where does the minister stand on this proposition right now? And what we are interested in, of course, is that the worker should have some say in the functioning of the plant and the functioning of the mine and in the functioning of his workplace. We are not asking him at this moment for any great managerial rights. We are only asking for the legislation that would permit the worker some say in the safety of his work.

Of course, of the two areas that we have touched on, the first area was in the safety committee. There is no point having a safety committee where management still has the power of veto over anything the safety committee does. The minister disagreed there—the previous minister did not agree to that kind of an amendment.

The other question that was raised earlier—and we were detoured from it; were side-tracked a bit—was the matter of either the workmen's representative or the bargaining agent's representative being present, or being asked to be at the accident site, or being permitted to attend at the accident site. What we want to know is how does the minister feel on these two issues right now?

**Hon. Mr. Bernier:** From the discussions I have heard from the members this afternoon I am certainly not convinced that I should change the policy of the former minister, quite frankly. I still have an open mind and, as I said to the member for Sudbury East, I will look forward to discussing this with the union people themselves and getting their reaction, rather than that of these individuals who are sitting around here today, looking for political marks.

**Mr. Martel:** That last statement is a lot of nonsense.



**Mr. Makarchuk:** We are not going to question that we are involved in a political game. This is what we are all about and what the minister is about too, except that we owe our allegiance to the workers. If the minister had any concern about the workers then perhaps he would permit these safety committees to have some say in the working conditions of the plant by legislation. At the same time he would permit the workers or his representative to be present at the accident site.

Right now you are not prepared to introduce that kind of legislation, am I correct in assuming that?

**Hon. Mr. Bernier:** At this point in time, no.

**Mr. Makarchuk:** Fine, this is what we want to know. We want that on the record.

**Hon. Mr. Bernier:** Right. I have an open mind, but at this particular time on the information that you provided me, which is very little, I am not prepared to—

**Mr. Makarchuk:** If the minister feels I have provided him with little information, he should read the debates of the discussions on the previous bill. He should look into it. Certainly he has been around here longer than I have, I presume—I think he has—and if he has not learned anything in this period of time then I have sad prospects for his future.

**Hon. Mr. Bernier:** Your contribution has been very little, that is all I can say.

**Mr. Yakabuski:** That is quite unfair.

**Mr. Makarchuk:** Now continuing on the matter of the underground—quite unfair, did you say?

**Mr. Martel:** I cannot recall your making an effort at anything—

**Mr. Makarchuk:**—tunnels—

**Mr. Chairman:** Order! Mr. Makarchuk has the floor.

**Mr. Yakabuski:** Do not be cutting off your colleague.

**Mr. Makarchuk:** I see the dinosaurs are awake again. They have come back to life.

**Mr. Martel:**—agriculture or any other type.

**Mr. McNeil:** Do not mislead the committee or the House.

**Mr. Makarchuk:** But getting back to the minister's—in this case the deputy minister's—statement regarding the matter raised by the

member for Timmins. It seemed to be that the feeling again is that it is the buyer beware. The province does provide protection for people. It is not always “let the buyer beware.” The province has a consumer protection division, because it realizes that the consumer, by and large, or the buyer in this case, is not really capable of understanding, or perhaps does not realize, the dangers that may exist if he builds on the area where there was a mining operation.

Of course, I do not know what state of technology is in this case—whether you can predict with any degree of certainty that there will be a shift or not. I gather you cannot. But on the other hand, surely you must take some measures to ensure that problems do not develop out of this?

So far, we have been lucky I guess. We have not had a loss of property. We have not had a loss of life. In Quebec recently we have had a rather tragic accident where people lost lives. Of course, we do not want this to happen in Ontario and we do not want to wait that long and then produce legislation.

**Hon. Mr. Bernier:** This was not caused by the mining industry.

**Mr. Makarchuk:** I realize this was not underground; it was a landslide, but similar situations can happen. I think it is the responsibility of the government in this case to ensure, before services go into an area, before a housing project goes into an area, or a commercial development—whatever it is—to ensure that it is safe. If there is danger, it should be the responsibility of the government to either prohibit the thing, or else ensure adequate compensation. Perhaps the least that we can do is ensure that adequate compensation be available to victims of a collapse or a fill or whatever it is that happens in this case. Again I think the minister, if he is responsible he should ensure that some action is taken along these lines.

**Hon. Mr. Bernier:** As the deputy minister very clearly pointed out, we are moving in this direction, having this information available at the registration office so it would be incorporated in the title to that particular property.

**Mr. Makarchuk:** Yes, but the—

**Hon. Mr. Bernier:** We have the underground workings plan available and this will be available at the district level, it will be available to the municipalities. We work in close co-operation with them.



**Mr. Makarchuk:** Yes, I realize that this information is available to the consumer—that there is a tunnel underneath his property—but it does not tell the consumer that the tunnel may collapse. It does not provide him with that kind of protection.

Most consumers are in no way equipped, either with the technical knowhow or any other kind of knowledge, to appreciate the consequences of what may happen if this tunnel collapsed and I think here is a place where the government should move in.

**Hon. Mr. Bernier:** It is pretty difficult.

**Mr. Makarchuk:** We are not asking the government to do everything for the consumer, but surely there should be some kind of caution or warning issued—

**Hon. Mr. Bernier:** This is what we are doing.

**Mr. Makarchuk:** —or some kind of legislation to prevent the development, either housing developments or commercial or whatever it is.

I am not sure that this matter of leaching into various streams from the tailings of mines if this is within mine safety or not? Is this matter within the mine safety?

**Mr. Douglass:** Mine tailings?

**Mr. Makarchuk:** Yes, the leaching from mine tailings. Of course, this is the—

**Mr. Douglass:** Ontario Water Resources Commission.

**Mr. Makarchuk:** I realize that, but I presume the disposal of tailings comes under the mining department—that is, the location of the tailings. Again we have problems at Marmora, where tailings from a mine that is now defunct are leaching arsenic into the Moira River. What precautions are being taken now to ensure that in the future this kind of a situation will not develop from other mining operations?

**Mr. Douglass:** Water Resources again.

**Mr. Makarchuk:** The Water Resources people are looking after this as a rule? In other words, it is their responsibility completely and you have no responsibility in that area at the moment?

**Hon. Mr. Bernier:** Yes. They have held public hearings—just as two examples—in the Griffith mine at Deer Falls and in connection with Maybun mines. Mr. Root just a minute ago—

**Mr. J. Root (Wellington-Dufferin):** They held one yesterday on Mattabi mines also.

**Hon. Mr. Bernier:** Mattabi mines at Ignace. This is how they keep a close check on what is going to happen to the tailings.

**Mr. Chairman:** Mr. Ferrier.

**Mr. Ferrier:** I would like to say one small thing—

**Mr. Douglass:** Could I just say that I just agree with Mr. Makarchuk on one thing? That was a poor choice of words when I said “everywhere.” I regret that.

**Mr. Ferrier:** My question has to do with these mine tailings too. Is there anything in the Act to require a mining company, once it has ceased operations, to put some kind of vegetation on these mine tailings? I know it is a very difficult thing to do, and there is one company called Airocon that has had some success.

I drove down the highway on Sunday and a couple of places the dust was so bad that you could scarcely see. Fortunately there was nobody living in the direction of those two particular tailing sites; there are other places where people do live.

Is there anything obligatory to cause a company to try to grow vegetation? What about a company like the Buffalo Ancherite that is out of operation and it is very difficult to trace even who the owners are. Is there any way that tailings from a worked-out mine like that can have some kind of growth upon it?

**Hon. Mr. Bernier:** I would refer the member to section 168 of The Mining Act, which clearly states—and I will read one section of it if you wish:

Mine managers shall plant and maintain vegetation or otherwise stabilize the tailings areas, which will not be required for future impoundment of tailings, to the satisfaction of the district engineer of mines.

This is a new section in the bill, and I think you made some reference to existing ones or ones that have been abandoned. I do not think this is a very difficult situation. We are having the same problem now with abandoned gravel pits. How do we rehabilitate these areas? It is a very costly situation, and we have to start from day one. January 1, 1971, was day one with regard to section 168 of this particular Act; so we are going from here. We have a starting point.

**Mr. Ferrier:** In terms of the problems that can exist in these areas, the dust is so bad—I know they were working at the Dome mine to provide vegetation; so I will leave that one aside. I think the other one probably was the Pamour mine; the dust was just blowing across there so that you could hardly see. Are you trying to enforce this section—

**Hon. Mr. Bernier:** Oh yes. Certainly.

**Mr. Ferrier:** —and to get commitments from these mines that they are perhaps going to come through with a programme and do this work?

**Hon. Mr. Bernier:** Yes. Certainly.

**Mr. Ferrier:** The second thing about some of these older mines that have ceased operation—it is a difficult problem, and I do not think anybody minimizes it in terms of the money and so on—is suppose you happen to live, like a number of people do, in the adjacent area to that old Buffalo Ancherite mine or on the Delnite property near Timmins. The dust could be terrific, and it is certainly a health hazard. I think you have got to find some way of doing something about those tailing sites too.

**Hon. Mr. Bernier:** This is a problem, as you well point out, but I can assure you that section 168 of the Act will be enforced on all existing companies. There is no problem there. In fact, I was in your area just the other day and I was impressed with one operation that is doing an excellent job on re-coating their tailings. Who they were I do not know, but—

**Mr. Ferrier:** Hollinger probably.

**Hon. Mr. Bernier:** Hollinger, yes.

**Mr. Ferrier:** But another disturbing thing was that Dome had gone ahead and provided a programme and some of these idiotic snow-mobile operators had gone over it and ruined half the vegetation. So sometimes the general public are so thoughtless and stupid that they can undo the good work that a company has spent a lot of money to carry out.

I certainly have nothing but praise for the work that Hollinger has done there; it is very worthy. It is a difficult thing to get any kind of vegetation to grow, but on behalf of those who live adjacent to these kind of things in mining communities, I hope you will realistically enforce that section of the Act.

**Hon. Mr. Bernier:** We certainly will, and when I was in the Sudbury area just recently

I took an inspection tour of the farms they had left over, was it 500 acres?

**Mr. Martel:** "Rye on the Rocks."

**Hon. Mr. Bernier:** "Rye on the Rocks"—a very impressive sight among the tailings of that huge development there. They are moving in the right direction.

**Mr. Ferrier:** Make sure that this is carried forward because it is needed.

**Hon. Mr. Bernier:** Yes, we certainly will.

**Mr. Chairman:** Vote 1303 carried?

**Mr. Martel:** Mr. Chairman, let us not be ridiculous.

**An hon. member:** He has more cases.

**Mr. Martel:** I was just getting a little station break. I was going to be nice the rest of the afternoon but, as Reid would say, the minister provoked me—

**Hon. Mr. Bernier:** Did I really?

**Mr. Martel:** —when he made the statement that we were looking for political gain. Well, that is pretty nasty.

Interjections by hon. members.

**Hon. Mr. Bernier:** Hon. members, ho, ho, ho!

**Mr. Martel:** So I am grievously offended and therefore I generally get a little nasty now.

**Hon. Mr. Bernier:** Are you? Well I will sit back.

**Mr. Martel:** You sit back and enjoy this one, Mr. Minister.

**Mr. Yakabuski:** And the reporters would not even come down.

**Mr. Martel:** I am not worried about the reporters. You did not see me going to ask for them, did you?

**Mr. McNeil:** But you keep looking this way.

**Mr. Martel:** Well, you are so attractive that I had to look at you. Oh, you are such a fine boy!

Now that he has had his speech for this session, Mr. Chairman, the minister, his predecessor and I have been in a running battle now for eight or nine months over violations of the hoisting section of the Act by the Falconbridge Nickel Company. Remember

the first four were all hidden, except someone in your department sent me a copy of the letter. It was most embarrassing, because you will remember that interesting quote—the last sentence—

**Mr. Douglass:** We have nothing to hide.

**Mr. Martel:** Oh, you have nothing to hide? I talked to one of your men in there, and he said, "Boy, the fur really hit the fan tonight when you unloaded this one."

**Mr. Makarchuk:** Except he did not use the word "fur."

**Mr. Martel:** Now the deputy minister is not being exactly honest when he says that over the four incidents—I am not talking about these cases but in reference to the fact that when I read these letters into the House signed by Mr. Redsell, it caused a considerable keffuffle in your department. Either that or another person in your department is misleading me.

**An hon. member:** That is new to me.

**Mr. Martel:** Anyway, let us go back to these four incidents. It was recommended by Mr. Redsell that you prosecute the company. Of course, in your wisdom you chose not to. In your wisdom, four flagrant violations of the hoisting section of the Act you chose not to prosecute, although the minister on November 12—and I have the statements—was going to look into it and by God, if there was a recommendation for prosecution, there would be a prosecution! The prosecution never came and Falconbridge got a warning.

Then, on December 28, Falconbridge violated the hoisting section of the Act again, only this time they had a man on the hoist who had not had his medical and had not had his hoisting certificate for some six months. That was an emergency; just as the other four were—the strange habit of it!

Again, you have chosen not to prosecute it and again there is a warning—ah, next time! By God, next time, from your legal advisers, if they violate the hoisting section of the Act there will be a prosecution. But you said that on the first four violations. Now why?

I can remember the former minister going into a tirade when we suggested with respect to the hoisting section that there be a third party, a medical party; if a man was not given a job, that it go to a third medical person to look at to determine whether he was qualified. I can recall your predecessor just going on and on and how important to the lifeline

of the mine the hoisting was. And yet you allow five violations. Why?

**Mr. H. F. Davis** (Director, Mines Inspection Branch): First of all, the four violations that you mentioned were not unknown to the minister as you—

**Mr. Martel:** As he said.

**Mr. H. F. Davis:** In the House he said this, but if you go and check back on the correspondence there is—

**Mr. Martel:** Oh, he knew. He just denied it in the House. I am well aware of that.

**Mr. H. F. Davis:** Well, that is one point.

**Mr. Martel:** Right, he denied it.

**Mr. H. F. Davis:** The second point is that all of these four incidents occurred at a particular time of the year.

**Mr. Martel:** In the spring.

**Mr. H. F. Davis:** After those four incidents the company was given instructions in the—

**Mr. Martel:** I have the copy of that, too.

**Mr. H. F. Davis:** Right. These were all of the same type—

**Mr. Martel:** Violations, right.

**Mr. H. F. Davis:** —and this instruction applied to those four incidents.

**Mr. Martel:** Oh, come on!

**Mr. H. F. Davis:** After that time there has not been one violation of that particular instruction.

**Mr. Martel:** Really that is a pretty poor excuse, you have to admit. They were caught violating the hoisting section of the Act.

**Mr. H. F. Davis:** The hoisting section of the Act covers—

**Mr. Martel:** Right! This was with respect to overtime; they were working more than the eight hours of the 12 hours under emergency. They were working 15, and it is a violation of the Act, is it not? The fifth violation involved something different, but it still involved hoisting, did it not? They know the Act as well as you or Mr. Douglass, better than the minister or I. I put that in to be—

**Hon. Mr. Bernier:** You are not being fair.

**Mr. Martel:** I am not as nasty as you are. That was another violation of the hoisting



section of the Act; it was a little different. One was overtime and one was a man operating a hoist without a certificate and without medical approval, which is a pretty serious violation, is it not?

**Mr. H. F. Davis:** Right.

**Mr. Martel:** Right. Just six months or four months before they had been warned about four other violations, and with the emphasis—

**Mr. H. F. Davis:** That was a different type of violation.

**Mr. Martel:** But still involved hoisting! Do they have a right to break each section of the Act once?

**Mr. H. F. Davis:** Instructions were given on this specific clause of the Act.

**Mr. Martel:** Right. But do they have a right to break each section of the Act once before you move in on them? Is that the name of the game?

**Mr. H. F. Davis:** I would not say so but—

**Mr. Martel:** I do not know who wrote the minister's letter. You know, the one in which he tried to pass the blame on to the man who did not show up for work. That was interesting; I just wanted to read that. Certainly the union did not appreciate the fact that someone tried to put the blame—I want to quote this. I do not know who wrote the letter to the minister:

On the other hand, the actions of Mr. Labrashe in not reporting for his scheduled shift, or so advising the company in sufficient time to obtain replacement, are indeed questionable.

What did that have to do with the case? Why was that red herring thrown in?

**Mr. H. F. Davis:** He has a responsibility just the same as anybody else, does he not?

**Mr. Martel:** Right. He has, whether indeed—

**Mr. H. F. Davis:** He did not show up for his shift, and he did not tell anybody that he was not coming.

**Mr. Martel:** Have you ever missed a day's work in your life?

**Mr. H. F. Davis:** Certainly.

**Mr. Martel:** And every time you notified somebody?

**Mr. H. F. Davis:** Usually.

**Mr. Martel:** Usually, but not always though?

**Mr. H. F. Davis:** But this fellow asked for the time off and he was not given that time off.

**Mr. Martel:** So he took it off?

**Mr. H. F. Davis:** Right.

**Mr. Martel:** Maybe he is smart. When you want Christmas eve off you take Christmas eve off, is that it? But the violation—is that Mr. Dubrielle had also operated the hoist on nine other occasions, had he not, without a certificate, from July?

**Mr. H. F. Davis:** I doubt that.

**Mr. Martel:** You people did a full-scale investigation. Now, let us find out. How many other times since June or July has Mr. Dubrielle operated the hoist?

**Mr. Barrett:** His licence expired on June 6 and he did operate the hoist for about a week after that date.

**Mr. Martel:** Yes, intermittently.

**Mr. Barrett:** Yes.

**Mr. Martel:** Right.

**Mr. Barrett:** But between then and December he did not operate—

**Mr. Martel:** But he had already violated the Act when his medical certification was withdrawn by himself. He operated the hoist after that on five or six occasions when he was not qualified.

**Mr. Barrett:** But this is—

**Mr. Martel:** Why blame Labrashe on the one occasion, when in fact this man was told, "Operator, we will take full responsibility; we will take the company." Under the terms of the Act, the company is responsible for everything in there. They knew full well, did they not, that they were violating the Act, not just on the 28th when they were caught—because that is the only time they were caught—but on the other six or seven days they were violating the Act as well, were they not? You're darn right they were. Maybe the minister would get involved in this. He makes the ultimate decision. When he and the deputy minister finish, would you tell us after?

We got down to the point of your letter blaming Labrashe for not being in attendance. That might be right—I maintain it was a red herring—but that violation by the company, the fifth violation, had occurred on six or seven other occasions over a five-month period.

**Mr. Douglass:** This happened before the present minister arrived.

**Mr. Martel:** Right.

**Mr. Douglass:** So I think you are going to have to depend on our boys here to give you this one.

**Mr. Martel:** All right. Now we come down to the nitty-gritty. They had violated that section, not once, but on seven or eight occasions after the man lost his certificate.

**Mr. H. F. Davis:** He did not lose it; he gave it up.

**Mr. Martel:** He gave it up. Right.

**An hon. member:** It expired.

**Mr. Martel:** He let it expire. Right. Well, he lost it. Well, let us—

**Mr. H. F. Davis:** It was not spread over a period of months; it was just a period of a week after this expiry date.

**Mr. Martel:** Right, but he violated the Act every time.

**Mr. H. F. Davis:** There was no danger involved in this situation.

**Mr. Martel:** What do you mean, there is no danger? What danger is there on automatic hoists, really?

**Mr. Douglass:** On automatic hoists? There is no danger. You are hoisted and it stops.

**Mr. Martel:** Right.

**Mr. Douglass:** It should come to a safe stop.

**Mr. Martel:** Right, it should. But he violated the Act on instructions of the company who said they were responsible and would accept responsibility, not on one occasion as the minister's letter said. This is where the minister gets involved. His letter pointed out that Mr. Labrashe was looking for trouble really; he was irresponsible.

On the other hand, the actions of Mr. Labrashe in not reporting for his scheduled shift, or so advising the company in sufficient time to obtain a replacement are

indeed questionable and leave considerable doubt as to his sense of responsibility.

What about the company's sense of responsibility for violating that thing on six or seven occasions, and saying, "We will accept the responsibility"?

**Mr. Douglass:** On about 10 minutes' notice?

**Mr. Martel:** The other five or six days, Mr. Douglass, were not on five minute notice. He ran the hoist after he lost—

**Mr. Haggerty:** Was he the spare man?

**Mr. Martel:** That was just one occasion, on the 28th, that the union found out about.

**Mr. Barrett:** That is what the one complaint was about.

**Mr. Martel:** Right, but he operated it on five different—

**Mr. Barrett:** That was incidental.

**Mr. Martel:** That is not incidental. You are trying to make it appear as though the man is irresponsible, when the company, in fact, had this man operating the hoist on a number of occasions when he did not hold a proper certification and when they said they would bear the responsibility. Now, who is at fault? The company, for telling him to do it on the other occasions as well? Now, let us find out why the company was not prosecuted under the terms of the Act when they, in fact—and you have the information on file, because you finally sent someone in to do a major investigation, where you interviewed both sides, and he admitted that he had been instructed on previous occasions to operate the hoist. There was not just one counting, as Mr. Davis tries to imply. There are six or seven incidents, really, not just the one. They were only caught once.

**Mr. Douglass:** Mr. Martel, you can find infractions of the Act every time you go to a mine.

**Mr. Martel:** Right.

**Mr. Douglass:** I found 110 at Copper Cliff at one time. You do not close them down, or you do not prosecute them, you hope they will correct these lapses.

**Mr. Martel:** But they did not. You had just laid it to them on four other violations of The Mining Act under a different part of the hoisting section, and then they turn around and they flagrantly do what?

Mr. Douglass: Another section involved.

Mr. Martel: Another section involved.

Mr. Douglass: Is this another technicality you are talking about?

Mr. Martel: That I am talking about? No, you people are trying to hang it on a technicality.

Mr. Douglass: No, this experienced hoistman you were talking about, he did not have his medical; he let it run out.

Mr. Martel: Yes, and he was not operating hoists.

Mr. Douglass: He was an experienced hoistman.

Mr. Martel: Sure he was.

Mr. Douglass: Was there any danger involved?

Mr. Martel: No. Was there any danger involved in the four times that men operated it for 16 hours?

Mr. H. F. Davis: Yes.

Mr. Martel: Well, why was there not a prosecution then? There were four different violations over a four-month period there as well, that we know of. In fact, interestingly enough, Mr. Redsell makes the point very nicely in his letter. He said, "Fortunately the union does not know about the fourth incident yet." Fortunately the union does not know. Now, is that not great stuff? You people are supposed to be there to protect the people and you write this kind of stupid letter.

Mr. H. F. Davis: This is exactly what we are doing, and this is what we do in our job. We go to the mine and we give them instructions that they are to do it.

Mr. Martel: And what happens when they just go ahead and flagrantly take another part and ignore it? Why do you not move in then?

Mr. H. F. Davis: We are continually doing this in our tours.

Mr. Martel: How many warnings do you give them?

Mr. H. F. Davis: When there is an inspection made; there are certain instructions given to them. The next time you go back to the same mine you give them more instructions. Not on the same subject but on another subject.

Mr. Martel: There is an Act there. They know the Act. Does the company know the Act?

Mr. H. F. Davis: You should know as well as—

Mr. Martel: Should you people have to be behind them every day of the week?

Mr. H. F. Davis: This is our job, sir.

Mr. Martel: Wait a minute. If a man commits a crime out in the street, what do they do with him? They catch him.

Mr. Douglass: This is not a crime we are talking about.

Mr. Martel: It is a violation of the Act.

Mr. Douglass: There is no danger involved.

Mr. Haggerty: No danger? Nobody can get killed by it? You just mentioned before you were up in Copper Cliff and there were 101 violations. Was this one day you were up there?

Mr. Douglass: No, I had 10 days.

Mr. Haggerty: There were 101 violations in 10 days?

Mr. Douglass: During my inspection of 10 days.

Mr. Haggerty: And this is one particular plant or operation?

Mr. Douglass: No, it is a whole conglomeration, it is an empire.

Mr. Martel: It is an empire, all right.

Mr. Stokes: And you were not shocked?

Mr. Douglass: Yes, I was shocked, and so was the manager, and all hell broke loose.

Mr. Haggerty: With 101 violations you should have closed them down.

Mr. Douglass: They were all minor things through which nobody could get hurt.

Mr. Haggerty: All minor.

Mr. Douglass: All right, they correct them; next time you go back it is corrected. What would you do?

Mr. Martel: The interesting thing, Mr. Douglass—

Mr. Douglass: You cannot even legislate safety, you have to go by—



**Mr. Haggerty:** Your purpose is to prevent accidents, but in your case you are allowing them to continue.

**Mr. Douglass:** Oh no, I brought it to their attention and I put it in writing, and they had so long to correct it, and they did correct it.

**Mr. Haggerty:** Six months before that when you were on inspection too, how many violations were there?

**Mr. Douglass:** I beg your pardon.

**Mr. Haggerty:** You probably did an inspection before that.

**Mr. Douglass:** Oh, yes.

**Mr. Haggerty:** How many violations then?

**Mr. Douglass:** I cannot tell you, it is a long while ago.

**Mr. Haggerty:** A long while ago, it could not have been two years ago. You do not make annual inspections then, do you?

**Mr. Douglass:** I do not make inspections now—not in nearly 12 years.

**Mr. Haggerty:** The department, I should say—when, once a year?

**Mr. Douglass:** No, we have men in the field up there. We have, what, six inspectors now in Sudbury, and they are continually making inspections, true, but with a thing like International Nickel you could not get around all those working places. But this is not the point. We go in and spot-check, yes, but it is the industry itself, the company which is responsible for this Act.

**Mr. Martel:** The basic point, Mr. Douglass, is this: that if a union man is caught violating a section of the Act, he gets punished by the company. That is what it really boils down to. They will give him time off, a couple of days rest.

**Mr. Douglass:** We prosecute the companies.

**Mr. Martel:** All right, tell me the last time you prosecuted Falconbridge or Inco.

**Mr. Douglass:** No, because they lean over backwards, in most cases, to be within the Act and go way beyond what we ask them.

**Mr. Martel:** I do not have all these files for nothing. I have not brought down even a tenth of what I have, not even a tenth. We will come to a few more about drinking in a few minutes.

**Mr. Douglass:** Drinking?

**Mr. Martel:** Yes, drinking, when Mr. Hughes was there and the black water the men got out of the fountains. Pure black. We will come to that one too—and I have a file here on that a foot thick, too. And we always get assurance, oh, we get assurance, and we keep coming back over and over again. It is the point I make. There have been lots of union men who have got penalties, warnings and what not, of recent days, in Sudbury. Who gets the companies when they violate? I have passed cases on to you where there have been violations in blasting; the same man doing it twice, he is just leading everyone into a trap.

**Mr. Douglass:** Is he still there?

**Mr. Martel:** He is still there, he is still the shift boss. We will come to another case of Mr. Basso that the minister wrote to me about and said, "Oh, yes, but he is just a new shift boss." Yes but he was also at the union for 20 years and he knew the tagging processes very well. So why does it excuse him once he changes positions, that he does not have to follow the tagging procedure on electrical equipment? The fact he is a new boss has nothing to do with it. He had to follow the procedure when he was a man in the smelter. Because he becomes a shift boss he can ignore all the tagging procedures, and start to work on moving equipment with the power cut in, and because he becomes a new shift boss he is excused? Why? This is really the nuts and bolts of the whole thing, the why. Who goes after them?

**Mr. Douglass:** No, because we find infractions of The Mining Act every time we make inspections. If we prosecuted every time, we would be in the courts, we would not have time to make an inspection.

**Mr. Martel:** No, we do not want you to.

**Mr. Douglass:** And I do not think we would be gaining anything.

**Mr. Martel:** If you prosecuted some of the major offenders and hit them with something, if there was—

**Hon. Mr. Bernier:** This is what the member would like us to do, to prosecute one of the major companies.

**Mr. Martel:** You are darned right. Because, you know when I made a complaint about water pollution against Inco, a dozen of them—cyanide, the whole hit—you guys did

not do anything. I made one complaint against National Steel, a small company, behind Capreol—OWRC brought them into court. But never Daddy Inco. This government gets on its knees to Inco.

**Mr. Root:** Where were you when we had the public hearing and they—

**Mr. Martel:** Oh, do not give me that.

Interjections by hon. members.

**Mr. Martel:** Go and grumble somewhere else.

**Mr. Root:** Sure, on strike at the time and not a soul turned up at the hearing, and they had one of the biggest halls to hold them.

Interjections by hon. members.

**Mr. Martel:** Well, let us find out why there was no prosecution anyway.

**Mr. Douglass:** Will you let me read a section of the Act, the duties of an inspector, engineer?

**Mr. Martel:** I have read the Act.

**Mr. Douglass:** Well.

**Mr. Martel:** I went over this pretty thoroughly with you last year.

**Mr. Douglass:** I think this would perhaps indicate why we are doing what we are.

It is the duty of the engineer, and he has the power to make such examination and enquiry as he deems necessary to ascertain whether this Act is complied with, and to give notice in writing to the owner, agent, or manager or any particulars in which he considers the mine or plant or any part thereof, or any matter, thing or practice to be dangerous, or defective, or contrary to this Act, and to require the same to be remedied within the time named in the notice—

And this is the way we operate—

—by non-compliance with the written order of an engineer and issued in section 610, shall be deemed an offence against this Act.

**Mr. Martel:** Why did Mr. Redsell suggest that there would be a prosecution?

**Mr. Douglass:** I do not know. But we have overruled our engineers in the field on a number of occasions.

**Mr. Martel:** But the minister denied—

**Mr. Douglass:** And not only that; there is no point in prosecuting unless you can make it stick. And we take legal advice in all these cases.

**Mr. Martel:** But you admitted the previous minister denied knowing anything about it. He said, "If it came to my attention"—

**Mr. Douglass:** I cannot answer that at all.

**Mr. Martel:** Well, that is his statement, the last day he was around in November. That if he had known—but indications, or all cases for prosecution or adjusted for prosecution, go to the minister. How come the minister did not get to see it?

**Mr. Douglass:** I cannot answer that.

**Mr. Martel:** Then we have the turn around, and still that different type of violation, still hoisting. It is pretty frustrating because, as I say, the men are subject to punishment, the men are subject to time off, and if the men are subject to these things for violations of the Act then the company should be subject to some form of—

**Mr. Douglass:** Not always violations of the Act. There are rules that lots of times we have reprimanded companies for. There is not an infraction of the Act in lots of cases.

**Mr. Martel:** Lots of cases! I am not saying all cases. But I am saying the men are subject to punitive action. Why not the companies, when they are caught violating as flagrantly as they did here? They knew they were violating; they said we will take responsibility.

**Mr. Douglass:** We have prosecuted companies and we do it every year.

**Mr. Martel:** How many companies were prosecuted last year?

**Mr. Barrett:** Three or four.

**Mr. Ferrier:** What companies were they?

**Mr. Douglass:** I am sorry. The report is not printed yet.

**Mr. Martel:** You know what it is—three or four prosecutions. I bet there were a lot more than three or four men reprimanded last year in the mining industry.

**Mr. Douglass:** I am sure there were.

**Mr. Martel:** That is precisely the point.

**Mr. Douglass:** You cannot control a man's actions.

**Mr. Martel:** But what about the company's actions? What is good for the goose is good for the gander.

**Mr. Douglass:** But we all take short cuts. You know that.

**Mr. Martel:** Some of them are deliberately pushed on to them. Talk to the people in the construction underground.

**Mr. Douglass:** Will you admit that the companies you are speaking about have a good safety record, that they lose more men off the job than they do on the job? It is four times safer to work in International Nickel than it is to be off the job.

**Mr. Martel:** It is four times safer, using the figures you present. You have not got the figures I presented today.

**Mr. Douglass:** Those are insurance company figures. These are deaths we are talking about. Fatalities.

**Mr. Martel:** Fatalities? They only had 12 or 13 in the Sudbury area last year in the mining industry.

**Mr. Douglass:** In the area? I guess—

**Mr. Martel:** Many of them with whom? Kaiser and Dravo.

**Mr. Douglass:** A lot of contractors, yes.

**Mr. Martel:** When are you going to get tough with them? They violate every Act, every day.

**Mr. Douglass:** We all violate Acts and all the rules in the world. Have you never driven over the safety limit?

**Mr. Martel:** They break rules, every rule.

Interjections by hon. members.

**Mr. Martel:** I do not have demerits.

**Mr. R. G. Hodgson (Victoria-Haliburton):** How many have you got?

**Mr. Martel:** None.

**Mr. R. G. Hodgson:** Never broke the speed limit?

**Mr. Martel:** Not me.

Interjections by hon. members.

**Mr. Martel:** I just think that these type of violations have got to stop. I am a little tired of the companies always getting the—

**Hon. Mr. Bernier:** I appreciate your comments. I really do. I think this is something I can say to you that I will watch very closely.

**Mr. Martel:** I want to talk about Mr. Basso for just a moment, and elicit a new answer from the minister, because I got a letter from the minister, saying Mr. Basso was a new shift boss. I put to the minister a letter that the union sent:

Mr. Wes Basso worked in Copper Cliff smelter for over 20 years and went on monthly payroll in January, 1971. While Mr. Basso was a member of our union and our bargaining unit he had been instructed in the same manner from Inco supervision concerning the proper tagging and locking procedures.

Therefore, when the minister states that he is new on the job—referring to Mr. Basso—I simply cannot accept his statement. Mr. Basso was well aware of the rules and regulations and therefore he should suffer the consequences, as any other man would. But your answer is—

**Mr. Barrett:** What rule did he break?

**Mr. Martel:** He did not follow the tagging procedure.

**Mr. Barrett:** Show me that rule.

**Mr. Martel:** Okay. Do not panic. I will dig it out. Just give me time.

**Mr. Barrett:** Rule 434(2) is applicable here.

**Mr. Martel:** Right.

**Mr. Barrett:** Page 128, The Mining Act.

**Mr. Martel:** I will find the original complaint. I do not want you to get too excited.

**An hon. member:** Why do you not get organized?

**Hon. Mr. Bernier:** If I had my files I would talk to you.

**Mr. Martel:** I will find it. Oh yes, here we are. Do you want the whole thing written, because it has gone to grievance?



I am enclosing a statement signed by Mr. Donald Parks, a safety and health committeeman in our union, which is self-explanatory.

The information indicates very clearly that the provisions of The Mining Act have not been followed and the attitude of the foreman involved could produce unfortunate mishaps in the future.

I will read this:

"A grievance was filed at first stage as follows:

We, the undersigned, have a grievance under the CBA in that a salaried supervisor, Wes Basso, did some work normally done by maintenance mechanics and in an unsafe manner.

The grievance was filed on April 1, 1971, the day following the incident, as we had asked for a meeting with the general foreman, Charles Lineham, immediately, but this was not forthcoming until 4.20 p.m. and, as we felt this was too late in the day to express our view, we had no recourse but to grieve in this matter.

The following day, April 2, 1971, the answer came from supervision, but, as I was not working, the answer was given to Brothers Hughes and Rainville, in which Wes Basso admitted to having done the work mentioned and the way in which it was done. His answer was given in the form of an apology. On my return, I asked to be given the answer but was given a vague and evasive explanation.

There has been nothing given to us on paper to say that in the future these practices will not be carried on again, just vague verbal concessions, from a company which demands from the union and its personnel written documents.

At 8.00 p.m. on March 31, 1971, Brother Hughes as first class (fitter) was given a job by his supervisor, Wes Basso, to examine and repair No. 3 calcine screw on FBR Sub A floor. Accompanied by his men, Brothers Rainville and Stefenyk, he proceeded to his job location.

They began by removing the inspection plate on the top of the screw so they could inspect any damage. They found the inner guard or plate had worn through and was jammed into the screw. According to the normal tagging procedure, Brother Hughes then instructed his men to not touch anything until the screw was properly tagged

out in the switch room by himself and an electrician.

After Brother Hughes had left Wes Basso came down and asked what the problem was. Brother Rainville showed him and said that Gord had gone to tag the screw. Basso then said that no tagging was necessary and Claude and Nick could cut out the plate. At this point, Claude reminded him of the tagging procedure and refused to work on the open screw.

Basso then stated that warnings should be given on that job (I presume to the three fitters) and taking a torch he climbed up on the housing of the screw. Lighting the torch, he stepped onto the untagged screw and without the approved safety devices (burning goggles and gloves) proceeded to cut the inner plate away from the screw.

Having done this he installed a come along or a hoisting device above the screw and with the help of the operations man lifted out the pieces of plate. He then said to Claude that is how the job should be done and left."

Apparently the screw was operative, or could have been made operative during this time.

**Mr. Barrett:** Not according to our information from our Sudbury engineers. The screw was jammed and it could not move. This he knew, and he was not breaking any rules, as far as we were concerned. We do not require locks or tags in our mining rules under these conditions.

**Mr. Martel:** What would happen once they started to move—they started to life without—if somebody had switched it on at that point, if the bolt had been lifted out of position?

**Mr. Barrett:** The report we got was that Basso assured himself that it was perfectly safe to do it without locking and tagging. We do not require locking and tagging under those conditions by The Mining Act. So, as far as we are concerned, he was violating no rules. We had no basis to prosecute Basso. I think his big mistake was getting involved in the work in the first place as a boss.

**Mr. Martel:** That is only one. The other was that he did not wear goggles; he did not wear gloves.

**Mr. Barrett:** He should not have been involved in the work at all.

**Mr. Martel:** That is right. The men should have been allowed to proceed with the instructions which they have, that is, to tag and lock equipment anything like this in the electrical field before they start to work.

**Mr. Barrett:** He made a fool of himself, we will admit. We cannot prosecute him for being stupid.

**Mr. Martel:** The point is, if any other man was doing the same thing, what would happen to him?

**Mr. Barrett:** I do not know.

**Mr. Martel:** You know as well as I do.

**Mr. Barrett:** We do not require it in The Mining Act.

**Mr. Martel:** What does The Mining Act say about tagging and locking?

**Mr. Barrett:** Here it is—the applicable rule, 434(2).

**Mr. Gilbertson:** Mr. Chairman, the member is violating right now. We should recess now.

**Mr. Martel:** Let the Chairman recess.

**Mr. Chairman:** We will recess to 8 o'clock.

It being 6 o'clock, p.m., the committee took recess.

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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Mines and  
Northern Affairs

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Tuesday, June 8, 1971  
Evening Session

Speaker: Honourable Fred McIntosh Cass, Q.C.  
Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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1971



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## LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JUNE 8, 1971

The committee resumed at 8:10 o'clock, p.m.

ESTIMATES, DEPARTMENT OF MINES  
AND NORTHERN AFFAIRS*(continued)*

On vote 1303:

**Mr. E. W. Martel** (Sudbury East): Mr. Chairman, just a couple of points. I asked before supper and did not get a reply about the men who died of cancer as the result of working in the sinter plant that has been closed. There have been a large number of cases. Are their wives getting any benefits?

**Mr. D. P. Douglass** (Deputy Minister): I cannot answer that. I do not know. I would certainly assume they are, I assure you.

**Mr. Martel**: It was only established in the last year and a half, or two years ago, that there was a direct relationship between the old sintering plant and the cancer.

**Mr. Douglass**: Yes, that is right.

**Mr. Martel**: I was just wondering if someone could find that out.

**Mr. Douglass**: I can find out for you.

**Mr. R. Haggerty** (Welland South): Not in all cases. Very few.

**Mr. Martel**: There are a number of cases right in the Inco plant. I think there were 32 men or 33 men involved altogether. About 13 died, but there are still a number being treated for cancer at the present time.

**Mr. S. Farquhar** (Algoma-Manitoulin): Mr. Martel, there is a recent one that I have my hands on. I could show you. The widows of any of the miners that it can be proved died after suffering from respiratory diseases, are now getting benefits, including death benefits.

**Mr. Martel**: Is that right?

**Mr. Farquhar**: Yes.

**Mr. Martel**: That is first rate then. That is certainly going to help the widows.

**Mr. Douglass**: Did he answer it for you?

**Mr. Martel**: Yes.

**Mr. Haggerty**: Why, do you have a different answer?

**Mr. Douglass**: No, I did not have any answer.

**Mr. Haggerty**: Did you have any answer at all?

**Mr. Douglass**: No, I was going to look it up.

**Mr. Martel**: A couple of other points: This committee that we have heard great discussion about, have you got any of the committee members in line yet for the appointment?

**Hon. L. Bernier** (Minister of Mines and Northern Affairs): I have not.

**Mr. Douglass**: I have a new minister, he has just been introduced.

**Hon. Mr. Bernier**: Do you have anyone in mind?

**Mr. Martel**: I have a few people.

**Hon. Mr. Bernier**: Just write me a letter and we will place it on the agenda.

**Mr. Martel**: They do not have to be mining people?

**Hon. Mr. Bernier**: I will be requesting names from other individuals too, and from groups.

**Mr. Martel**: All right.

**Hon. Mr. Bernier**: We will have a good, broad representation.

**Mr. Martel**: Well that is what I am interested in. I am interested in good, broad representation and hopefully that can be done shortly.

I have just a couple of minor points—the drinking water, which I indicated we were going to get back to. I did not forget. I will not bother going through the entire file, Mr. Minister. The file though, is full of: "Yes, we



are investigating. Yes, the condition is improved." And about a month later we are given another letter: "Yes, the drinking water is still all black." Oh yes black. I suggest that you check with Mr. Hughes.

**Hon. Mr. Bernier:** May I interrupt here for one minute? I was up in the Sudbury area for two full days, visited both of the major producers, made it a point to check every—

**Mr. Martel:** Drinking fountain.

**Hon. Mr. Bernier:** —drinking fountain that I went by.

**Mr. Martel:** What was the colour of the drinking water on the day that you were in Sudbury with Dr. Mastromatteo?

**Mr. J. M. Hughes** (Mines Inspection Branch): Well, you saw it.

**Mr. Martel:** No you tell us, because the minister is trying to give the impression to the committee that I am not being really practical.

**Hon. Mr. Bernier:** The fact that I checked it—it had to be perfect, because I drank the water.

**Mr. Martel:** What colour was the water, Mr. Hughes?

**Mr. Hughes:** Dirty.

**Mr. Martel:** Black, was it not?

**Mr. Hughes:** Well, some people thought that perhaps the black could be attributed to the carbon filter just preceding the fountain. These are cleaned out on a weekly or regular basis.

**Mr. Martel:** These are not cleaned out. That is the problem. We are told they are cleaned out and the recent complaint I sent to the minister, was that the filters had been, on some occasions, discarded completely by management who were told not to replace them. That is the complaint that I submitted to the minister not too long ago. I have the letter here. It will have to be put on the record for him.

**Mr. Hughes:** Incidentally—

**Mr. Martel:** It is the same problem that has gone on since I have come here. The drinking water has been a constant source of complaint. A part of the real problem is, of course, that we get the traditional answer: "This is the same drinking water that the

town of Copper Cliff uses and they do not find it black and therefore if it is okay for the citizens of Copper Cliff it is okay for the people in the plant." But the piping underneath, the old piping in the plant, certainly must have a large bearing on what the problem is.

**Mr. Hughes:** Do you want me to try and give an opinion?

**Mr. Martel:** Right.

**Mr. Hughes:** Well, I think that part of the reason may be attributed to some of the construction work that is going on throughout the plant, within their whole complex. In some cases, the feeder lines from the main line carrying the drinking water may be disturbed and the scale which would be inside the pipe may be temporarily contained within the water leading to a drinking outlet. But these, in general, are local and when they are found out immediate action is supposed to be taken.

Incidentally, in connection with that sample that you previously referred to, Mr. M. C. Kossatz, the safety superintendent, still has not reported to me where the sample came from. He has checked with the first aid. He has checked with the dry man and the last time I was talking to him on Monday about it, he was going to call in the individual who brought in the sample.

**Mr. Martel:** That is a good place to start. The man who brought in the sample would be the most logical place.

I just want to quote to the minister though, the letter from Mr. Falkowski:

I have witnessed where filters have been removed from drinking water supply sources and the removal was authorized by higher supervision. Therefore how can anyone state that the condition may be caused by unauthorized removal of filters?

In fact, management has ordered the removal of filters. The whole point is, it is not just this one incident or the one incident when Mr. Hughes was there, it is a series of incidents. The letters go back for years on the same problem of adequate drinking water.

You know, Falconbridge—the company was a little more—in fact quite a bit more, let us say—considerate of their employees than Big Daddy up there. When they had drinking water problems at Fecunis and so on, they brought in containers with potable water. I believe it calls for it in the Act, I am not sure.

Now, why should there be a continuous problem? When they get a problem with the water why cannot they bring in, as Falconbridge did, immediately bring in a container with fresh drinking water? It is as simple as that.

**Hon. Mr. Bernier:** You have the assurance now that the department will take a very close check on this.

**Mr. Martel:** Yes. I am just hopeful that once and for all it will be remedied.

**Hon. Mr. Bernier:** We all hope so.

**Mr. Martel:** I think one of the problems is, too, that so much of Inco's equipment is obsolete, not obsolete but so old, that it is going to take some major, maybe, installation of new piping because this is certainly one of the implications that the piping in there is quite elderly. Like anywhere else, after 40 or 50 years it becomes virtually useless.

To deal with this last point, and there are two minor ones, and deal with Falconbridge. I wrote to you, Mr. Minister, some time ago, as the result of a letter which was submitted to you by Mr. Prudhomme, the business agent, with respect to no drinking water at one plant. I am looking to see if I have the name of that plant. Yes, the number one charge floor in the smelter at Falconbridge has no drinking water at all. I wrote to you on May 14 about this. Is there any indication that this has been investigated, and if so, what are the results of the investigation?

**Mr. Hughes:** The report I have from the district engineer was that that situation was corrected on the day the letter, or by the day the letter was written. In other words when you wrote it on May 14, the situation had been corrected. If I remember correctly, it was caused through abnormal weather conditions feeding this particular drinking outlet. But I have not received the report from the district engineer—

**Mr. Martel:** The only report I have is from Mr. Prudhomme and he says the Falconbridge Nickel Company indicated that they might do something next spring.

**Mr. Hughes:** That is this spring.

**Mr. Martel:** This was on May 14, when I wrote the letter. He phoned me that day, and I wrote the letter.

**Mr. Hughes:** This is what the engineer told me. There was confusion that the letter must have been written—

**Mr. Martel:** A year ago?

**Mr. Hughes:** Some time prior to May 14, because the situation was corrected.

**Mr. Martel:** All I know is Mr. Prudhomme phoned me on this day. I immediately dictated a letter to my secretary who then mailed it to the minister.

**Mr. Hughes:** There must be a conflict of information.

**Hon. Mr. Bernier:** I think the information may have been late getting to you.

**Mr. Martel:** Mr. Prudhomme phoned me from Sudbury.

**Hon. Mr. Bernier:** No, but they might have tried other ways.

**Mr. Martel:** They did. They just do not like it. At least when they know that I am going to talk to you, or to someone on your staff, they will move. Big Daddy does not.

**Hon. Mr. Bernier:** Maybe we should ask them to write us direct, instead of going through you.

**Mr. Martel:** Oh, they have written you, Mr. Minister; there are a couple of letters here. We will come to them.

**Hon. Mr. Bernier:** They are given the same attention.

**Mr. Martel:** They did not find that worked before, maybe that is why they started writing. I do not ask them for work, you know.

**Hon. Mr. Bernier:** Every complaint that comes to our department receives the same diligent, immediate action.

**Mr. Martel:** That is a new era, is it? That is the beginning of the new wave? I am delighted to hear about the new wave.

What about the complaints that were made against A. P. Green, Central Bridge, Sudbury Mechanical and Electrical Contracting and Del-Vecchio Masonry, about the violations of The Mining Act by these four companies on the property of the Falconbridge Nickel Company? The complaint comes again from the Mine, Mill and Smelter boys, because there were so many violations by these four companies that it was detrimental to the well-being of their membership.

**Mr. Hughes:** First of all, that letter was dated May 25?

**Mr. Martel:** May 14! Pardon me—May 25! But from the union company.

**Mr. Hughes:** May 25. Again, we have a procedure which the minister has asked the companies and the unions to follow in connection with such an item. This is being followed and results are being obtained which appear to be satisfactory to the two parties. We do not really become involved until discussions fail.

**Mr. Martel:** Which is only right.

**Mr. Hughes:** My understanding is that you have received a copy of the letter written to the company.

**Mr. Martel:** To Mr. Mailer, right!

**Mr. Hughes:** So therefore the matter is being processed satisfactorily. If it is not then we will become involved. At this time it is premature for us to interfere with the normal negotiations in this regard.

**Mr. Martel:** The reason, of course, they do this occasionally is that when Falconbridge is a little more flexible they do not like it when you people get in their hair. I wish Inco felt as badly, but they do not.

If things are not moving fast enough, I get a letter, so I write the minister. Falconbridge reacts very quickly then.

That is what happened in this drinking water thing. They were very upset when I went to the minister about the drinking water. They wanted to know why the union was coming directly to me when they had indicated they were going to postpone the implementation of bringing in drinking water. They just do not like getting in the crossfire.

**Hon. Mr. Bernier:** That is why I have very few complaints.

**Mr. Martel:** With respect to Falconbridge you are dealing with a completely different company. It has a much greater sense of community responsibility and responsibility to its employees than Big Daddy has. They just do not possess that sort of mentality, I am afraid.

They can tell you all kinds of things. You will learn, as Lawrence of Ontario learned, and your colleague the hon. Minister of Energy and Resources Management (Mr. Kerr). Sit down and have a chat with him some day about the intricacies of talking to International Nickel, and the intrigue. He will fill you in, as he has me, on what happens. You

might save yourself a lot of frustration if you do that.

**Mr. B. Gilbertson (Algoma):** Big Daddy is talking.

**Mr. Martel:** I suggest that you do that and you will find out what the name of the game with those people is—it is give an inch and take two steps backwards. And that is primarily the problem.

With that, Mr. Minister, I guess we will just sum up that we are going to get concessions—not concessions—considerations, or a review of the possibility of having the union visit the site of a fatality. Only consideration—I did not say—

**Hon. Mr. Bernier:** I said this would go to the committee.

**Mr. Martel:** That is consideration, is it not? I do not want to—

**Hon. Mr. Bernier:** Do not be like your leader now, and twist and tamper with the truth.

**Mr. Martel:** I am choosing my words very carefully. I do not want you to get offended. You offend easily, you know.

**Hon. Mr. Bernier:** No, I do not.

**Mr. Martel:** Something else you agreed on was the SO<sub>2</sub> thing. After you have had an opportunity to meet with the union next week and hear their side of the story, consideration will then be given to, hopefully, bringing about some form of meeting possibly with the unions and management, Dr. Mastromatteo, and representatives of your staff.

You will not prosecute Falconbridge. I went over that thing at Sudbury and the more I went over it the more intriguing it became, as I listened to the different reasons why we were not going to prosecute. One tells me—well, that was not the original complaint, but there were six more violations, but it was not the one that we were looking at. This sort of thing intrigues me. Maybe Mr. Douglass will get a little tougher in the future with the violations and when the recommendations to prosecute come from your staff it might just be wise to accept their decision.

**Mr. Haggerty:** He is waiting until he has 101.

**Mr. Martel:** Item 101. Maybe it would be wise to abide by the recommendations of



your engineers in the Sudbury area when flagrant violations occur. With that, Mr. Minister, I will have a little rest.

**Mr. Chairman:** Vote 1303 carried? Carried!

Vote 1303 agreed to.

On vote 1304:

**Mr. Chairman:** General services for mining, public programme; Mr. Haggerty.

**Mr. Haggerty:** Does this cover the pit and quarry operations?

**Hon. Mr. Bernier:** No, I am sorry, pit and quarries come under 1303 and it is carried.

**Mr. Haggerty:** Wait a minute now, I thought this—

**Mr. Martel:** How do you get it in 1303?

**Mr. Haggerty:** How do you get it in mine safety and protection? Let us get on to this thing here. Let us not shove this off.

It says, "encouraging the exploitation of the mineral potential of the province; providing services, data and research and access roads." You can name everything, it is in there—Crown mining lands.

**Mr. Chairman:** Yes, Mr. Minister.

**Hon. Mr. Bernier:** We are not hard to get along with. The hon. member has something to discuss about pits and quarries?

**Mr. Haggerty:** Where else would you find it?

**Hon. Mr. Bernier:** It is under 1303. This is the section it would come under. We are willing to listen. Ask any questions, we will try to answer them.

**Mr. Haggerty:** About a year ago the minister came out with a great fanfare announcement that legislation would be forthcoming providing the province with control of the operating conditions of pits and quarries and to co-ordinate control, by both the province and municipalities, in the location and establishment of new pits and quarries.

Of course, my concern is the Niagara Escarpment. I am sure that Mr. Douglass is well aware of the problems in Pelham township. I think he has had numerous letters to that effect and on some of the problems there. I was on the site with some of the property owners and one of the problems was that

there was an encroachment by the pit operator.

He would come right up to the edge of the adjoining property and remove the gravel. Of course, this would cause a landslide or fall of material from the adjoining property. I have a letter stating, according to the opinion of your staff, they were within The Mining Act. I think the slope would be about 45 degrees or something like this. Your argument, I believe, was to say when we showed you proof of where the line was, then you could take civil action.

I think that anybody with common sense would see that there was an encroachment on the adjoining property. I think in one of the letters you stated that they were supposed to rehabilitate this particular area. I believe it was in 1969 or 1968 that they were supposed to put trees in there—to plant trees on the slope and hold back the soil. Has this ever been done? This is the Fonthill Sand and Gravel. It is the Brant Bell Telephone, I believe.

**Mr. H. F. Davis** (Director, Mines Safety Branch): Telephone City.

**Mr. Haggerty:** Telephone City; yes.

**Mr. H. F. Davis:** In regard to the encroachment on the boundary of the property I believe—if this is the same time you were referring to—there was a complaint. Our engineers did inspect this and did, in fact, find that it had encroached over the boundary. Subsequent to that, they were instructed to fill in this area and I believe this has been done.

As far as the rehabilitation is concerned, The Niagara Escarpment Protection Act only came into effect last September and this rehabilitation programme is being carried out at the present time. Perhaps, as you suggested, trees would be planted on the slopes to stabilize them. This might have been so but I am not aware whether or not this was done.

**Mr. Haggerty:** Yes, the letter is December 12, 1968, and it is from D. P. Douglass, deputy minister. I will just read one paragraph:

In the event that paragraph four of your letter has a basis in fact, that the adjoining owners have access to civil court, I am informed that the Fonthill will plant next spring clover and grass seed on the sloping banks of Fonthill adjoining Mr. Collins' property for slope stability.

This is something that you have almost given directions on at that time and—

**Mr. Douglass:** They committed their company to do that.

**Mr. Haggerty:** Has it ever been carried out? You mentioned The Niagara Escarpment Protection Act.

**Mr. H. F. Davis:** I do not recall this letter but this was not the requirement at that time. They may have suggested on their own that this would be carried out.

**Mr. Haggerty:** I believe this particular party was carrying on communication with your department for a couple of years. You tell me now that there was an encroachment there, but why could it not have been looked into before that? I know the member for Welland (Mr. Morningstar) worked on it for a couple of years and nothing had been done. You seemed to give him the run-around. You would not commit yourselves and yet you had the authority under the Act.

**Mr. Douglass:** No, not in rehabilitation; not until The Niagara Escarpment Protection Act.

**Mr. Haggerty:** No, I am talking about the slope, the 45 degree slope.

**Mr. Douglass:** They must have agreed to that, because we must have suggested it to them and asked them to do that.

**Mr. Haggerty:** No, this is the first that you have said about it.

The other matter is I believe the mayor of the town of Pelham has requested a meeting with the minister. For some reason, I believe that the letter was not received until the day of the notice of the meeting.

**Hon. Mr. Bernier:** Yes, there was some problem. We had set up a meeting and Mr. Morningstar was in my office waiting for him. Apparently the clerk had received a letter that morning and not notified other people within the township. There was some confusion. He did not even have the courtesy to phone that he could not make it. We sat there and waited for him. Finally we called him and he admitted he could not make it, so we have set another date for that meeting which he has agreed to.

**Mr. Haggerty:** You are going to meet on the site, though, are you? I mean, this has been requested.

**Hon. Mr. Bernier:** Memory escapes me what the deal was. I thought the meeting was in my office because I had my staff there, along with Mr. Morningstar.

**Mr. Haggerty:** It says "The committee, however, would appreciate receiving your consideration about holding a meeting within the town of Pelham in order that the quarries may be looked at at first hand."

**Hon. Mr. Bernier:** I think I might find this a little difficult because if I get numerous—I think at that time I was pretty well committed. Certainly if I am free and available, I would be glad to go there.

**Mr. Haggerty:** I think the minister should make the stop there.

**Hon. Mr. Bernier:** I have been going out on the whole escarpment for the last two weeks, believe me, both on the ground and in the air.

**Mr. Haggerty:** This has been quite a problem in the area. Of course, you know the requirements of The Niagara Escarpment Protection Act. Have you had any letters sent out to any of these pit and quarry operators directing them to stop their operations?

**Hon. Mr. Bernier:** I think when the Act came into force—

**Mr. H. F. Davis:** There were approximately 15 which did not receive their permits originally because of the fact that they had not put in their site plan showing their programme of rehabilitation.

**Mr. Haggerty:** Have all these operators now conformed to your rules?

**Mr. H. F. Davis:** They have since conformed to the application requirements and have received permits, yes.

**Mr. Haggerty:** Are any of these pit operators now selling top soil?

**Mr. H. F. Davis:** Not to my knowledge.

**Mr. Haggerty:** How do you know if you do not make an inspection? How often do you make an inspection at these pit operations?

**Mr. H. F. Davis:** Our engineers in southern Ontario are out pretty nearly every day of the week making inspections of sand and gravel pits and quarries.

**Mr. Haggerty:** Is this from your regional office in London?

**Mr. H. F. Davis:** Yes.

**Mr. Haggerty:** Why would he travel 200 and some miles from there when it is only about 75 or 80 miles from Toronto?

**Mr. H. F. Davis:** Because the district office is located in London and it covers the area from Toronto to Windsor.

**Mr. Haggerty:** I know that. The point I was trying to get at is you have a large majority of the pit operators on the Niagara Escarpment. Why would you locate the office down in London, Ontario?

**Mr. H. F. Davis:** It is a central location for this area, that is the main reason we located the office in London. We not only cover the Niagara Escarpment but there are quite a few sand and gravel pits around London and Chatham, and right down to Windsor.

**Hon. Mr. Bernier:** There is no doubt, as we get into the enforcement of this Act, and of course with The Pits and Quarries Control Act, that we will require additional staff; because this is a tremendous job, believe me it is. The staff we have now is pushed right to the limit; hopefully we will be able to get an increased complement.

**Mr. Haggerty:** When do you figure on implementing these new regulations to include all pit and quarry operators?

**Hon. Mr. Bernier:** New regulations or new legislation?

**Mr. Haggerty:** New legislation.

**Hon. Mr. Bernier:** At the very first opportunity.

**Mr. Haggerty:** The very first opportunity? I thought the minister said last fall it would be last fall.

**Hon. Mr. Bernier:** I was not the minister last fall.

**Mr. R. K. McNeil (Elgin):** Let us be fair.

**Mr. Martel:** About 18 months ago they announced that legislation was coming.

**Mr. Haggerty:** I know that.

**Mr. M. Makarchuk (Brantford):** In other words what the minister said last fall does not hold any water this spring?

**Mr. Chairman:** Mr. Haggerty has the floor, gentlemen.

**Hon. Mr. Bernier:** I think I said in the Legislature that I would introduce it this session, which I intend to do.

**Mr. Haggerty:** You have only got about four weeks, have you not?

**Hon. Mr. Bernier:** That is right.

**Mr. Haggerty:** You will have to get off your good intentions this session.

**Hon. Mr. Bernier:** We are working at it diligently, believe me, we are.

**Mr. Martel:** What did the white knight do for a year and a half?

**Mr. Haggerty:** Have you consulted at all with the other pit and quarry operators in the province?

**Hon. Mr. Bernier:** Yes, I was out on Monday with Mr. Allan Baxter, who is the president of the aggregate producers. I cannot confer or consult with each of them individually. I have visited several by automobile. We flew over, I think I was saying earlier, on Monday.

**Mr. Haggerty:** Will they have the opportunity to come in and review this new legislation?

**Hon. Mr. Bernier:** Yes, and the municipalities too.

**Mr. Haggerty:** And the municipalities? You are going to include them? That is the important thing.

**Hon. Mr. Bernier:** Yes, I want a complete discussion. Complete, full disclosure and—

**Mr. Haggerty:** You are going to take the municipalities into your confidence, are you?

**Hon. Mr. Bernier:** Yes, we certainly are, along with the producers. I think we can work out a good compromise, a good Act, that will be suitable to all and still provide us with the control the government wants.

**Mr. Haggerty:** Will the municipalities, with this new legislation coming through now, have some say in the location of the quarry in the municipality? They will have the final say in it?

**Hon. Mr. Bernier:** Complete veto power, yes.



**Mr. Haggerty:** That is good. Now the other thing—how many of your people visited the Port Colborne quarries lately?

**Hon. Mr. Bernier:** Port Colborne?

**Mr. Haggerty:** Yes. The Canada Steamship—

**Mr. Douglass:** How many people?

**Mr. Haggerty:** Yes. I notice they have gone into quite a rehabilitation programme, leveling off the sides of the quarry with fill and landscaping it with maple trees in fact. It looks rather nice. I was just wondering if you have been in this area to view this site.

**Hon. Mr. Bernier:** I have not personally. I was in the Nelson crushed stone quarry just the other day. I was most impressed with their efforts, when you think they even have a tree nursery on the site along with a small pool that has some beautiful speckled trout and some brook trout—

**Mr. Haggerty:** I understand that some of these quarries are stocking them.

**Hon. Mr. Bernier:** —which was very tempting indeed, coming from northern Ontario. I was wishing I had my fishing rod with me.

**Mr. Haggerty:** The other concern is—

**Mr. J. E. Bullbrook (Sarnia):** Did they put them in for the occasion?

**Hon. Mr. Bernier:** No, apparently not.

**Mr. Haggerty:** —that some of these quarry or pit operators will mine to within five feet of the municipal road. Maybe I have cut them short, but it is in that vicinity. If you went off the road with a car you would end up in the quarry.

**Mr. Martel:** It is a good thing Mr. F was not here.

**Mr. H. F. Davis:** The proposed legislation provides for a setback, which is considerably more than we have had in the past.

**Mr. Haggerty:** Would you say all the quarry operators, say in the Niagara Peninsula particularly, meet this requirement?

**Mr. H. F. Davis:** They meet the present requirements—

**Mr. Haggerty:** What are the present requirements—ten feet?

**Mr. Hughes:** Fifteen feet plus the normal angle of repose measured in feet, for the overburden above the rock strata.

**Mr. Haggerty:** Have they all met this requirement then?

**Mr. H. F. Davis:** I think so, yes; quarries particularly.

**Mr. Haggerty:** But you are not sure; you just think it is so.

**Mr. H. F. Davis:** I have not been around to all the quarries. But there would be more chance of the quarries meeting these requirements than the sand and gravel pits, as you pointed out with regard to this sloughing business.

**Mr. Haggerty:** I believe at Fonthill—it used to be Fonthill Sand and Gravel—they get almost up to the edge of the road; it is a wonder the road does not just disappear.

**Mr. H. F. Davis:** This is one of the points under discussion at the present time—whether they should remove this road, which is called Centre Street, or leave it there.

**Hon. Mr. Bernier:** Is this discussion—

**Mr. Haggerty:** These are the problems on which I think your department has been a little bit lax.

**Hon. Mr. Bernier:** I will admit maybe we have been a little lax, but we are moving into this field.

**Mr. Haggerty:** You are not carrying out the provisions and regulations as laid out in the Act.

**Hon. Mr. Bernier:** We are moving into it as quickly as possible, believe me. We are giving it a lot of study.

**Mr. Martel:** Oh, that is questionable.

**Mr. Haggerty:** Mr. Minister, to my knowledge, this has been brought to the attention of your department for 10 years.

**Hon. Mr. Bernier:** I cannot answer that.

**Mr. Haggerty:** This problem exists and nothing has been done.

**Hon. Mr. Bernier:** I can say we have done some very intensive studies and we have got some very knowledgeable people on the pits and quarries operation, believe me we have. When the Act is introduced I think you will stand up and cheer. It will be a good one;

one you can live with; one you will appreciate.

**Mr. Martel:** The white knight promised it 15 months ago.

**Mr. Haggerty:** The damage has already been done.

**Mr. Chairman:** Gentlemen.

**Mr. Haggerty:** Of these 27 licences that were issued for the Niagara Escarpment, were there any new ones?

**Mr. Martel:** Or was it 18 months ago?

**Hon. Mr. Bernier:** These are quarries—no new ones; existing ones only.

**Mr. Haggerty:** What about pit operators?

**Hon. Mr. Bernier:** Yes, there were five new ones.

**Mr. Haggerty:** Five new ones. Where were they located?

**Hon. Mr. Bernier:** In the protection area; these were with the consent of the municipalities.

**Mr. Haggerty:** What municipalities would they be in?

**Hon. Mr. Bernier:** The county of Grey, the township of Osprey, the township of Holland and the county of Peel.

**Mr. Haggerty:** Peel? That is getting pretty close to home. And that has just been a new one?

**Mr. Bullbrook:** Is one of those approximate to Highway 401? I have noticed in my sojourns back and forth that there seems to be a new quarry that invites comment.

**Hon. Mr. Bernier:** I think that is Campbellville you are referring to.

**Mr. Bullbrook:** No, I am not referring to Campbellville; it is on the south side rather than the north.

**Hon. Mr. Bernier:** It could be out of the protected zone.

**Mr. Bullbrook:** It is either an existing quarry that has expanded its operations or a new one, and one wonders about the propriety from an aesthetic point of view. I notice the records show both you and your deputy agree with that. Do you have intentions in this connection as to overall

aesthetic impact? I am sure it is part of our environmental concern.

**Hon. Mr. Bernier:** Yes, the thing is we are concerned with the ones that are abandoned.

**Mr. Bullbrook:** Yes.

**Hon. Mr. Bernier:** We start from day one, and of course the existing operators will have to conform with the regulations and with the Act. The requirements in the Act will require that certain aesthetic considerations be implemented immediately.

**Mr. Haggerty:** One more point Mr. Chairman: What course or action has the department taken to assure that owners of properties adjoining the quarries are guaranteed water? In many cases the property owners have to maintain their water supply from a water well, and once you get into a quarry operation or a pit operation you lower the water table and those persons lose their water supply.

**Mr. H. F. Davis:** This is under the jurisdiction of the water resources division of the Water Resources Commission. If the wells run dry due to the quarry or pit operation, the operators have to restore the water to the adjacent land owners.

**Mr. Haggerty:** How are they going to restore that water?

**Mr. H. F. Davis:** By bringing up the water table or—

**Mr. Haggerty:** You mean to say what you can do is flood out the pit or quarry operators to bring that water level back up again.

**Mr. H. F. Davis:** There have been cases where one operator has lowered the water in the adjacent wells, and he has been required to drill these wells deeper to provide the water for those adjacent landowners.

**Mr. Haggerty:** How many of the landowners are aware of this now? I can think of a number of cases, particularly in my area, where persons have lost water wells; they have had to go out and build cisterns and bring the water supply in by truck. Again, I think this has been brought to your attention. I think a Mr. Huffman, RR 1, Port Colborne, brought this to your attention.

**Mr. H. F. Davis:** If they are brought to our attention and we refer it to the Water Resources Commission, then they certainly look into it.

**Mr. Haggerty:** You do not follow it up then?

**Mr. H. F. Davis:** No.

**Mr. Haggerty:** No. You just pass it off; you say it is the Ontario Water Resources, then you do not follow it up.

**Mr. Martel:** The member for Wellington-Dufferin (Mr. Root) follows them all up.

**Mr. Bullbrook:** May I add to this, if the member for Thunder Bay (Mr. Stokes) will permit; or did he want to speak on this? I think my colleague—would you permit me, Mr. Chairman?

**Mr. Chairman:** Vote 1303 was carried. We gave Mr. Haggerty the opportunity of going back—

**Mr. Bullbrook:** I see.

**Mr. Haggerty:** You did not say it was—

**Mr. Chairman:**—on this vote after it had already been carried. I think we should go on with the next vote.

**Mr. Haggerty:** We are into that vote now. It says public lands.

**Mr. J. E. Stokes (Thunder Bay):** We are into vote 1304.

**Mr. Haggerty:** Pits and quarries.

**Hon. Mr. Bernier:** Vote 1303 was pits and quarries.

**Mr. Haggerty:** Mining and public programmes.

**Mr. Chairman:** Pits and quarries came under the previous vote.

**Mr. Haggerty:** Where did it say pits and quarries?

**Mr. Martel:** It did not say that; it was in disguise.

**Mr. Haggerty:** It says the programme includes—this is in 1303—administration of Part IX of The Mining Act and The Energy Act, as amended, and research for the protection of staff in mining companies.

**Mr. Bullbrook:** Mr. Chairman, had you let me speak I would have been finished now.

**Mr. Chairman:** All right, go ahead.

**Mr. Bullbrook:** I just want to say I appreciate your indulgence very much. I wanted

to say that I recognize we have some responsibilities upstairs also, and I did want to speak on a certain matter that has not come up yet, but may I convey to the minister something that I have conveyed before.

I do have personal and significantly consequential involvement in this very matter of the interrelation between The Department of Mines and its responsibility and the Ontario Water Resources Commission and its responsibility, and as you know gentlemen, we involve ourselves in the same problem in connection with waste disposal, do we not?

**Hon. Mr. Bernier:** Right!

**Mr. Bullbrook:** And in pits and quarries and water there is involvement in connection with the very viability of farmers and the viability of people aside from farming.

I relate this just for the record: two years ago a company was prominently involved in creating an obvious adverse effect upon the water level of people in Sarnia township. I say obvious, because my eyes showed me it was obvious. I went out for three weekends in a row and saw the water going down.

The problem we had there is basically the problem that my colleague talks about. It is not a question of a lack of concern on your part, because I am sure you are all just as environmentally concerned as I am, to think otherwise would be presumptuous on my part.

But you have responsibility; and the responsibility must be transferred to somebody else. During the course of the estimates of the Minister of Energy and Resources Management (Mr. Kerr), and in connection with waste disposal, I said this in effect.

Recognizing that you have certain geological and geophysical expertise available to you, Mr. Minister, but recognizing the policy of the government in connection with total environmental protection, I invite your consideration that, in connection with pits and quarries, because of their obvious effect in connection with the aesthetic and environmental aspect and impact of it, that you might well want to volunteer to give them up, as I understand probably you might do in connection with waste disposal.

Now seriously—and I mean this—basically, as I see it, as a lay person, the question of the regulation of pits and quarries seems to be an obvious thing. In other words, I agree with what you say; you do have the expertise, but it is a manifest expertise. The problem is the collateral difficulties that arise; the lack of water availability, and that falls within



another jurisdiction. Really, in the long run, we can remedy the incision that is made by man into the earth, be it the escarpment or not. We sometimes cannot remedy the availability of water.

**Hon. Mr. Bernier:** I must point out that we are dealing with a mining operation.

**Mr. Bullbrook:** Right.

**Hon. Mr. Bernier:** You are dealing with the pits and quarries. You could relate this to the safety of mines, where we get The Department of Health involved; and other departments in other areas. Now where do we go? I mean, do we transfer? There is no end to it.

**Mr. Bullbrook:** You make a good point and I am sufficiently malleable to accept that point. I see your point. In effect you are saying, "Almost every aspect of my ministerial responsibility does have ecological overtones." Right?

**Hon. Mr. Bernier:** Right!

**Mr. Bullbrook:** That is basically it and I think it is a point well made, but you must grasp then to yourself—and I say this without presumption—a greater responsibility, for example in connection with quarries than just supervising the actual quarry operation.

In other words, when a member of the public or a member of the Legislature involves himself, I would invite you to have a liaison officer with the eventual Department of the Environment who sees, in effect, that be it waste disposal or quarry, there is a balance there. There is a need for the economic involvement—we have got to have sand and gravel, or we do not grow—but at the same time, there is a need for protection.

I appreciate the time that you have given me—

**Hon. Mr. Bernier:** A point well taken!

**Mr. Bullbrook:** —but it is a significant matter.

**Mr. Martel:** Might I raise one point? Who is responsible at the present time for pits in the unorganized townships of northern Ontario?

**Mr. Douglass:** It is in the next vote.

**Mr. Martel:** It is in the next vote?

**Mr. Douglass:** You are talking about Crown lands, public lands?

**Mr. Martel:** Yes, I had a case where a man diverted a natural watercourse in a pit and it is now flooding another man's home. There are no community officials—

**Hon. Mr. Bernier:** In unorganized areas.

**Mr. Martel:** Right. In the unorganized townships, there is no one to go after.

I wrote the department about it six months ago and got a kind of a vague reply on it from the previous minister with respect to who is responsible.

**Hon. Mr. Bernier:** This would come under Mr. McGinn's office.

**Mr. Douglass:** Are we finished with 1303?

**Hon. Mr. Bernier:** Well are we ready to go on, Mr. Chairman?

**Mr. Chairman:** Yes, when you are through.

**Hon. Mr. Bernier:** On 1304 then?

**Mr. Haggerty:** What does the gas drilling come up under?

**Hon. Mr. Bernier:** Gas?

**Mr. Douglass:** Vote 1303. Control of gas?

**Mr. Haggerty:** Drilling for gas.

**Mr. Douglass:** We just passed it.

**Mr. Chairman:** Vote 1304; Stokes.

**Mr. D. Jackson (Timiskaming):** At least give him a mister!

**Mr. Martel:** They started in the middle of the last vote and carried it over to this vote. Do you want to complete this and I can come back to it?

**An hon. member:** Complete what?

Interjections by hon. members.

**Mr. Chairman:** The member for Thunder Bay has the floor.

**Mr. Stokes:** Go ahead, finish what you are doing.

**Mr. Martel:** Yes, I wrote your department about Broderdale township in November. It was a pressing problem, a man's home being flooded out because a natural watercourse was diverted.

**Mr. McNeil:** Have you told them all the facts?

**Mr. Martel:** That is right. I think you give the facts you have to the department so they have something to work with.

**Mr. Hughes:** I recall that particular letter. We had our district engineer in Sudbury investigate the incident and write to you in connection with it. I think you will recall that The Department of Highways was vitally concerned—the district highways engineer, and I think the people representing this unorganized township and—

**Mr. Martel:** The local road board.

**Mr. Hughes:** That is true. The way it was resolved was that the money was being budgeted to raise the grade of the road and to improve drainage which would not incur damage to adjoining property.

**Mr. Martel:** The main question I have though, is who is responsible? You know on this occasion it was Highways that resolved it, but it ultimately comes back to this department, does it not? On the overall—

**Mr. Douglass:** Highways operate a lot of pits.

**Mr. Martel:** It was not a highway pit. It was a private developer who was utilizing the material from that pit and this is where I am caught as to whose responsibility it is.

**Mr. McGinn:** Was he operating on Crown land under a quarry permit, Mr. Martel?

**Mr. Martel:** He was operating under a renewal of an old quarry permit.

**Mr. McGinn:** If it was a quarry permit on Crown land, then we would be responsible.

Interjections by hon. members.

**Mr. Martel:** Mr. Hughes remembers the case, it was not Crown land.

**Mr. Hughes:** I cannot recollect who owns the land.

**Mr. Martel:** It is just knowing who to go to because we get a number of these cases. I knew Highways had resolved this one.

**Mr. Hughes:** Well the point was that our department worked very closely with The Department of Highways and this particular local road board and the situation was rectified, to the best of my knowledge.

**Mr. Martel:** For future cases though, I would write you people, because I do not want to get confused.

**Mr. Hughes:** It is a good place to start.

**Mr. Martel:** Right, that is all I want to know.

**Mr. Chairman:** The member for Thunder Bay.

**Mr. Stokes:** Under 1304, I notice that you have only \$6,000 for research and yet you say this has to do with laboratories and protecting Crown land and other areas of common responsibility from harmful exploration and treatment, and taking back to the government mining lands that are forfeited; and for providing quasi-judicial services in the event of a conflict of public interests. Does the minister really feel that \$6,000 is an adequate amount for research to carry on all the responsibilities that he has under this vote?

**Mr. Douglass:** That is an item put in there for ore dressing. At one time we used to use the Ontario Research Council for small mines that came in with a metallurgical problem with their ore dressing. We had a much larger vote, but in the last few years we have not had too many requests for this. We just put in a nominal sum to take care of these requests as we get them.

**Mr. Stokes:** So you really have not had any call for research then?

**Mr. Douglass:** Not in the last year.

**Mr. Stokes:** All right. Could you tell me where you are going to spend the \$5 million for access roads this coming fiscal year?

**Mr. Douglass:** That is in another vote.

**Hon. Mr. Bernier:** No, this is in this vote.

**Mr. Stokes:** You are in the habit of saying that. He has even got himself convinced now. All you have to do is convince us.

**Hon. Mr. Bernier:** The total programme has not been completely allocated as yet.

**Mr. Stokes:** How much of it has been allocated and where?

**Hon. Mr. Bernier:** I do not know if I have those figures right now or not.

**Mr. Stokes:** I was able to get that during the estimates last year and the year before.

**Hon. Mr. Bernier:** I have the figures on where we spent the money last year.

**Mr. Stokes:** No, I want to know where you—

**Hon. Mr. Bernier:** Well, I have not got it right to date. I do not think anyone here has the allocations up to this time for this fiscal year? I brought the wrong ones.

**Mr. Douglass:** The Balmertown northerly out of Pickle Crow is \$1 million this year, stepped up from last year.

**Mr. Stokes:** For how many miles?

**Mr. Douglass:** I beg your pardon?

**Mr. Stokes:** Balmertown north for how many miles?

**Mr. Douglass:** That is equipment rental.

**Mr. Stokes:** For how many miles?

**Hon. Mr. Bernier:** They go so far on X number of dollars. It could go farther; it is not a set contract as such.

**Mr. Stokes:** It is a set amount of money?

**Hon. Mr. Bernier:** Yes.

**Mr. Stokes:** And when that is expended, you stop?

**Hon. Mr. Bernier:** Yes.

**Mr. Stokes:** How much would \$1 million build? Twenty or 30 miles?

**Mr. Douglass:** You can figure around \$50,000 a mile.

**Mr. Makarchuk:** Are the contracts handed out on a cost-plus basis?

**Hon. Mr. Bernier:** No.

**Mr. Makarchuk:** Well how do you decide then? If you intend to spend \$1 million, then you probably have an idea how many miles of road you are going to put in.

**Mr. Chairman:** The member for Thunder Bay has the floor. Whoever wants to be on next should signify to the Chairman and I will put his name down.

**An hon. member:** You have to have your name down.

**Mr. E. W. Sopha (Sudbury):** What is this, a Sunday school?

**Mr. Chairman:** Yes.

**Mr. McNeil:** What is wrong with that.

**Mr. R. S. Smith (Nipissing):** Get your hand up, Elmer.

**Mr. Stokes:** We have got Balmertown and then Pickle Lake.

**Hon. Mr. Bernier:** Yes.

**Mr. Douglass:** The same amount.

Interjections by hon. members.

**Mr. Douglass:** Could I get this information for you? Unfortunately I brought last year's estimates with me. I was just going from memory and I am afraid I could not give you the exact figures. I will get that information for you.

**Mr. Martel:** How much was spent last year?

**Mr. Douglass:** I beg your pardon?

**Mr. Martel:** When you compare; 1969-1970 it was \$2,487,000, and the estimate for 1970-1971 is \$5 million.

**Mr. Douglass:** That is right; our programme was stepped up.

**Mr. Martel:** It was stepped up considerably. My colleague raised the point yesterday of the mine near him, if you will recall.

**Mr. Douglass:** Texmont.

**Mr. Martel:** Yes. Is any assistance being given to this?

**Hon. Mr. Bernier:** This has been on the agenda. In fact much to my embarrassment we called a meeting—I think it was a week ago—and a number of ministers could not be in attendance; so it is postponed until the morning of Friday, June 18. This is on the agenda for discussion and further examination.

**Mr. Martel:** Well that is one of the few concessions we give; rather than start a new municipality for the exploitation of the resources, the assistance in—oh, you want Mr. Stokes to speak? Pardon me?

**Hon. Mr. Bernier:** He has the floor, you see.

**Mr. Stokes:** Thank you very much.

This item I wanted to bring up a couple of days ago—Sogepet—I am told that this is the place to bring it up. You told me it would come up under mining lands.

I notice in this Oil and Gas Exploration Equities for August, 1970, that this company



has exploration rights in many places in northern Canada, but the ones I am particularly interested in and which are depicted on this map, are in an area immediately west of Moosonee and on the northwest corner of the Province of Ontario bordering against Manitoba. It is on the shore and in the offshore waters of Hudson Bay. According to this they have holdings in the amount of 609,000 acres in the area.

I am wondering under what arrangements do you allow them the right to explore? What are the conditions? You know there must be some kind of a rental arrangement. I do not know whether you know what I am talking about—

**Mr. Douglass:** No, but I can tell you that acreage you are talking about is partly offshore and we have no control over any acreage offshore. It is the Dominion of Canada.

**Mr. Stokes:** Well the area that is shown on this map is on shore and it is immediately west of Moosonee.

**Mr. Douglass:** They have a share in two licences with us.

**Mr. Stokes:** Okay. What kind of an arrangement would you enter into for this area just west of James Bay?

**Mr. Douglass:** I will let Mr. Sharp answer that; it comes under his branch.

**Mr. D. A. Sharp** (Chief Engineer, Petroleum Resources): I believe the acreage you are talking about is held by Acquitane and Sogepet; they have an interest in that acreage. The regulation that applies to that is Ontario regulation 159-70. It is a regulation that conforms generally with those of the federal government and Manitoba. It has specific work commitments and their annual rentals. Acquitane is one of probably 13 companies that hold acreage in the Hudson Bay-James Bay lowlands.

**Mr. Stokes:** What are the arrangements? What do you charge them per acre? Or is it a rental? What kind of fee do you charge them?

**Mr. Sharp:** Well the regulation is based on a fee of \$250 per grid area, and the grid area is in the order of about 80,000 acres. The area up there is completely untested geologically, so the cost of acquiring acreage is reasonably low; but there is a work commitment, so companies picking up acreage have to carry out certain exploration programmes.

The company of which you are speaking drilled two wells in the area adjacent to the Manitoba border and during this past winter completed two wells directly west of Moosonee; this was to carry out their work commitment. So the low cost of acquiring the acreage and the fact they have to carry out programmes is quite successful. They are carrying out a very active exploration programme.

**Mr. Stokes:** I see. Would they pay a royalty if they are successful?

**Mr. Sharp:** If they are successful they will pay \$1 per acre on that area which they lease, and the leasing procedure will be that which is used in most parts of Canada. It is a checkerboard pattern. They can only acquire up to half of that acreage they held under licence, so that the other 50 per cent reverts back to the Crown and the Crown can then accept tenders on that acreage.

It gives the Crown an opportunity to optimize someone else's exploration activity. So we would get the premium or bonus on the acreage that someone may have found to be commercially productive. In addition to paying the rental, they would pay a royalty of 10 per cent of all gas or oil produced.

**Mr. Stokes:** And have there been no negotiations under way with the federal government for rights on behalf of the province to any of the offshore islands in James Bay and Hudson Bay?

**Mr. Douglass:** Yes, there have been discussions with the federal government, our government and Manitoba and Quebec. It is still in the discussion stage.

**Mr. Stokes:** But what is this government's position with regard to the rights to that land? Does this government feel that we have some rights to it?

**Mr. Douglass:** Yes. I do not know what has occurred lately, but we feel we have.

**Hon. Mr. Bernier:** I think we should explain that what we are looking for is the extension of the boundaries of the Province of Ontario so that as they come out of James Bay they will go eventually straight up and intersect the boundary with Manitoba which will come straight across—

**Mr. Stokes:** The same latitude.

**Hon. Mr. Bernier:** The same latitude; we will project out and that area will form the

balance of Ontario. The federal government does not agree with this. They want to give us rights along the shoreline, and we are having heated discussions on this at the moment.

**Mr. Stokes:** Are these active discussions at the present time?

**Hon. Mr. Bernier:** Yes; I would think you would have to say they are pretty active.

**Mr. Stokes:** Okay; that is all I have. I just wanted to make sure.

**Mr. Makarchuk:** On the same point then, Mr. Chairman, I understand that Nova Scotia has taken the matter to court regarding offshore drilling rights. Are you going to make any representations in court, or rather is your department going to make any representations similar to what was done in the famous egg and chicken war?

**Hon. Mr. Bernier:** No; we are still in the discussion stages; along with the other provinces, with the federal government on the inland situation.

**Mr. Martel:** Nova Scotia has taken the lead.

**Mr. Makarchuk:** In other words, would you not feel that perhaps instead of being still in discussion, that possibly you are interested in the offshore rights and therefore you would take active, immediate steps to support the Nova Scotia contention?

**Hon. Mr. Bernier:** Certainly. We feel those active and immediate steps are through discussion.

**Mr. Makarchuk:** I see. I feel that active, immediate steps would possibly be an appearance in court, presenting your point of view.

**Hon. Mr. Bernier:** Maybe the time will come.

**Mr. Makarchuk:** I feel that would be more concrete and will also be much more effective than having discussions across the street over there, or wherever the office is located, because nobody is really listening to what you are talking about.

**Hon. Mr. Bernier:** We believe in full discussion before we get into court.

**Mr. Makarchuk:** I realize that, but it is just that I would prefer that you take action.

**Mr. R. V. Scott** (Director, Northern Affairs Branch): Would you like a little interesting background, if I may give it?

In the case of Nova Scotia, when Nova Scotia came into Confederation in 1867, their argument was that they brought the coastal waters in with them. Unfortunately, in the case of Ontario, Ontario came out of Confederation. Ontario did not go into Confederation, but it came out of Confederation and its boundaries were approximately the Albany River. The section north of the Albany was added after its surrender by the Hudson's Bay Company, about 1912 I believe. The boundaries that were given to Ontario are defined and they are the low water mark. So we do not have quite the case that the Maritimes have in going to court, because our boundaries are confirmed in an Act of the province and an Act of the federal government.

**Mr. Makarchuk:** Surely, despite something that has happened some time in the past, my contention is that it is still no reason why you should not go to court or try to, shall we say bargain, or win the best bargain possible for Ontario. We had the example the other day where the discussion was on the location of the Noranda smelter, that no representation was made.

Again, in this particular case, it may be resolved in the courts that Nova Scotia will walk away with the offshore rights and Ontario will still be holding discussions. By the time you get around to doing something about it, then the die will have been cast and you are out in the cold with nowhere to turn. This is why I would suggest that instead of just talking about it you make an active case and send some of your legal people down. I am not sure when the case is coming up, or if it is before the Supreme Court of Canada.

**Mr. Douglass:** No; British Columbia took it to court and was beaten. We feel that we have a different position than that of the continental shelf. Our hope is that we can discuss this and settle it amicably. We claim that Hudson and James' Bay are inland waters and we go out to the international boundary line of the Great Lakes. This is what we are hanging our hat on.

**Mr. Makarchuk:** We must have some arguments and I would like to see them expressed very forcefully at the place where it counts, not in discussions in the office.



**Hon. Mr. Bernier:** We are working in co-operation with the other provinces too, with respect to Manitoba. I think you have to realize that we cannot go it alone in a situation like this.

**Mr. Makarchuk:** That is exactly what we are saying here, that you should co-operate with the other provinces.

**Hon. Mr. Bernier:** Certainly.

**Mr. Makarchuk:** Can I continue, Mr. Chairman, on a slightly different point now, or does somebody want to dwell on this point?

On the matter of research services, again it seems to me that part of our concern in Canada as Canadians, in order to be able to survive, is that we should be able to do the things we consider best or utilize our resources to our best advantage. Naturally this requires research.

Although resources are valuable and necessary, brain power is coming more and more into prominence in terms of economic growth and development. It seems to me that you have \$200,000, or something like that, allotted for research to a very important industry. Could you explain to me what your rationale is and why you feel that this is an adequate amount? Is no research to be done that could be of public interest, or that would help us as citizens in Ontario to obtain certain social goals, or are you just prepared to let the corporate sector do the research, wherever they are doing it and however they are doing it, and leave it at that?

**Hon. Mr. Bernier:** I think I will ask Mr. Douglass just to follow up my own personal comments.

**Mr. Douglass:** I do not follow the member for Brantford on where the \$200,000 for research is shown.

**Mr. Makarchuk:** I am sorry. I took in the laboratories as well—\$294,100. You have got \$6,000 for research.

**Mr. Stokes:** Sixty-four thousand dollars.

**Mr. Makarchuk:** Is there \$64,000? I took the amount for laboratories, so I assumed that they were used, that besides testing you would be doing research of some type in the department. My feeling is, of course, that we should be doing a great deal more research. The Lamontagne science report indicates that we are sadly lacking in this area.

Your department I feel is one such department, because you are dealing with the

resources that are, despite the statements made yesterday, becoming rather scarce in other areas of the world. I think we should try to put them to the best use possible, and this is where you could do a great deal of work. I would like to hear your comments in that respect, excluding the fact that we have all sorts of chemists, metallurgists, and so forth, coming out of university who cannot find jobs.

**Mr. Douglass:** The answer to that is that the federal government is set up to do research for the mining industry and we would just be duplicating by setting up the equipment. They have been in this field for years and they have done, and are still doing, the major part of research for the mining industry regarding natural resources and mineral resources.

**Mr. Makarchuk:** Again, if the federal government was doing a good job I would be very happy with your answer, but my feeling is that the federal government is not doing that kind of job and that the level of research in Canada, in terms of the amount we are spending on research in relation to our gross national product, is quite small in comparison to other countries.

The other point is the growing importance of research relative to economic growth in terms of the innovations, new products and new direction that you can take. I would agree with you that if the federal government was doing the kind of job that I would hope it would be doing, then I would be very happy. But, obviously, it seems to me that it is not doing that job and the science report bears this out.

This is why I feel that, perhaps until such time as the federal government gets off its backside, which it does not look like it will happen soon, the provincial government should seriously consider it.

The other point, of course, is that there may be certain research that is peculiar to Ontario in certain aspects that we would find useful, particularly in the non-ferrous metal field. I would suggest, in terms either of new metals coming out or new metallurgy and new processes—which we can do so well in Ontario—it would be an asset to this province. I would like to see a great deal of emphasis placed on this.

Would the minister care to comment on that? Does he have any ideas?

**Hon. Mr. Bernier:** I think the deputy minister has spelled out the problem exactly.



I have some strong feelings about increased research in the mining field. Here again I do not want to go into an area that will cause duplication, but as you well point out there may be areas we could be looking into.

**Mr. Makarchuk:** In terms of geological research, in terms of new methods of geological research, is this being done by your department to any extent, particularly in conjunction with universities, with mining schools or colleges? Do you carry on any kind of a co-ordinating programme, in existence right now, between your department and the university students?

**Mr. Douglass:** We did, as I say, use the Ontario Research Council as our agent. We did, in the past, quite a bit of research on peat moss as a replacement for bentonite used as a binder for pellets and research on the James Bay lignite. But so far our work has not been successful to the point that it is economic.

**Mr. Makarchuk:** I do not expect miracles overnight and I am sure if Thomas Edison felt that way we would still be burning candles. The point is that there is good reason for research. Again, I want to express the fact that research is becoming more and more important in terms of public growth and in terms of jobs for our people. We are looking at this kind of a situation right now.

**Hon. Mr. Bernier:** The point is well taken.

**Mr. Chairman:** Is vote 1304 carried?

**Mr. Martel:** Mr. Chairman, a couple of points: Back to roads, how much was spent last year of the \$5 million for access roads?

**Mr. Douglass:** Unfortunately, we did not get it all spent. Some of them were late getting their bids in. I think we are committed for everything but about \$375,000, but we did not get that all spent.

**Mr. Martel:** That was considerably more than the year before.

**Mr. Douglass:** Yes.

**Mr. Martel:** As I was going to say—

**Hon. Mr. Bernier:** I assure you it will be all spent this year.

**Mr. Martel:** That is first rate because I think I have gone on record on more than one occasion in the House, particularly in the Highway estimates, that rather than see new municipalities spring up with tremendous

capital investment—I mentioned it here last Thursday—I would much prefer to see some money spent on a number of those roads surrounding a given municipality to tap the various resources which are available. So that when one industry dies, your town does not die with it, but rather we have tapped a number of other resources to provide job opportunities.

We get away from the extra schools, new schools, new hospitals, sewers, water—the whole bit. I would venture to say we would not oppose an additional amount to the \$5 million because it is one area of legitimate need for more spending.

**Hon. Mr. Bernier:** I love to hear you say that. You support my theory completely.

**Mr. Martel:** Right. We believe in planning and I do not think there is much done in the realm of central planning when you see communities die. I would much rather see a road pushed 50 miles if necessary. People in Toronto travel 40 miles to work. You have to develop a good road mind you, but similar rapid transit arteries in northern Ontario from a community to a resource area, having the worker commute every day, are much more sensible than having municipalities die. I do not think it is adequate, but nonetheless certainly I support this type of expenditure.

Somebody was trying to pin us down yesterday about subsidies and what not. I do not look on it as a subsidy. I think we save money. The company develops its own site but we provide the access to and from it for the employees with some logical planning behind it. It seems to me to be a logical place to spend money. I only hope we see a lot more of it.

The other point I wanted to discuss is a suggestion I believe put forth by my colleague from Timiskaming (Mr. Jackson). He suggested the government should have taken over the Timiskaming refinery and tied it in with the laboratory at Timmins.

**Mr. Douglass:** At Cobalt!

**Mr. Martel:** At Cobalt! I am just wondering when the government watched this operation phase out, if they had even countenanced asking the company what it would have wanted to sell that refinery and tie it in, as my colleague suggested, with the laboratory at Cobalt. At least get some working figures as to whether or not the cost of welfare and the cost of unemployment and

the cost of relocation—which many people are going to have to do—would come close to what it would have cost the government to take it over in order to maintain the jobs and so on. Was any of this done?

**Mr. Douglass:** There was a lot of discussion in that and we tried several avenues to have someone else take it over. For these people, of course, there was no way they are going to continue to lose millions of dollars.

We talked to other firms, and actually I have been advised by these people that there are negotiations going on for a fabricating plant utilizing that refinery.

But with our low production of silver, there is no way that we can—

**Mr. Martel:** Yes, but does it not boil down, to Mr. Douglass and to the minister, to you lose a little bit, but what do you offset in unemployment and in welfare and in the whole field year after year? I read some statements the other day that men of 48 and 49 who were involved there will never get back to work; will never find a job. No mining company is going to take them.

Over the years, it is to our advantage. I do not like to use this type of example of getting into a Crown corporation simply because it is a losing one—we always take the losing ones. We always hear that governments cannot make money with companies. The reason is pretty obvious. We never buy the ones that are in a position to make money, so we never get into the field where money could be made by government. So you have the great call, "Whenever the government gets involved, they lose money," but the reason is pretty obvious.

If we were a good government involved in, let us say refining Texas Gulf's material, we would make money because we would have a viable profit. What I am suggesting is probably a losing proposition in one sense. I am wondering how much calculation was done in what it would have meant to the province and the taxpayer in welfare and in unemployment and so on.

**Mr. Douglass:** You are talking about \$1 million a year loss.

**Mr. Martel:** One million dollars a year loss. There is 26 per cent unemployment in the Timiskaming area, I understand, right now.

**Hon. Mr. Bernier:** We were down to 25 or 30 employees when it closed up; 45.

**Mr. Martel:** That is not the figure that I got when I was—

**Hon. Mr. Bernier:** You were talking about 90. This was the figure—

**Mr. Martel:** Yes, but I was talking to the mayor or the reeve when they were in Sudbury at the mining municipality meeting in February or March—

**Mr. J. R. McGinn** (Director, Mining Lands Branch): The total overall work force.

**Mr. Martel:** Right. That was about what?

**Mr. Douglass:** Over 300 miners working.

**Mr. Martel:** Right. Now we come to it.

**Mr. Douglass:** They are still working.

**Mr. Martel:** They are still working?

**Mr. McGinn:** Oh yes!

**Mr. Martel:** They are not going to close?

**Mr. McGinn:** That is why we had to give them the exemption to ship out of Ontario—to ship their ores and concentrates.

**Hon. Mr. Bernier:** We are only talking about the 45 in the plant.

**Mr. Martel:** I just think that some day this would be an ideal location. It gives you an abundance of opportunities, as my colleagues have already mentioned, for a variety of research. You have to have your own smelter; you can play around a little more.

We have suggested to Highways as well that they should have a company or two; not to try to bite into the operation of the private enterprise system, but to have the facilities for doing research in that area and new construction methods. You have to rely on someone who is out to make money to do it for you and it does not really work to our best interests.

I just think it is imperative that we get to the point where we have these facilities. We can run comparative tests and so on and new types of processes.

**Hon. Mr. Bernier:** We have not turned our back on the Cobalt refinery. We are working with the owners to see if we can get some other industry established there. We will continue to do so in the hope that we can revive it, some way, somehow.

**Mr. Martel:** What about the other silvers? Of course, the problem is through the by-product, is that not right, from the other—

cobalt? No, in Ontario they are just by-products.

**Mr. Douglass:** Yes. The biggest silver producer perhaps in North America is Ecstall Mining Limited of the Texas Gulf Sulphur.

**Mr. Martel:** Right. Then Inco and so on. They are just byproducts which they do in their processing somewhere else. I just think it is something we have to keep in mind, the potential for this sort of thing.

**Mr. Chairman:** Is vote 1304 carried?

Vote 1304 agreed to.

On vote 1305:

**Hon. Mr. Bernier:** Northern affairs, gentlemen.

**Mr. T. P. Reid** (Rainy River): I have heard that you have—

Interjections by hon. members.

**Mr. A. W. Downer** (Dufferin-Simcoe): Mr. Martel, when I went out at 5.45 you were talking and I come back at 9.30 and you are still talking.

**Mr. Martel:** No, I had a rest. Yes, from six to eight.

Interjections by hon. members.

**Mr. Chairman:** Order! Mr. Martel, the member for Sudbury East.

**Mr. Downer:** Again?

**Mr. Martel:** Mr. Chairman, do you recall when these were announced, you being a northerner, the fanfare?

**Mr. Chairman:** I beg your pardon?

**Mr. Martel:** I am talking to the Chairman and to the minister. Do you recall when these offices were announced with great fanfare? Over the last two days, we have tried to elicit from you what your responsibility was in this field and in this department. What the department's actual responsibility is. I think it is well confirmed that you believe you are solely in the business of providing information. Is that correct?

**Hon. Mr. Bernier:** This is the basis of the Northern Affairs office—to assist those in northern Ontario; providing them with information on the numerous provincial departments; providing ease of access to giving answers to their problems within the region

itself; also with Queen's Park as the seat of government.

**Mr. Martel:** Yes, but that is not what the Prime Minister said in his announcement is it?

**Hon. Mr. Bernier:** He did.

**Mr. Martel:** The then Prime Minister (Mr. Robarts) saw this as a department which would, as you say, make information readily available.

An allied purpose would be to co-ordinate and correlate the very many existing services available to our citizens in the north, so that they will be made more aware of what is available to them.

We also want to fill the very real communication gap which now exists between the people in some areas of the north. As government policy makers at Queen's Park, as well, we are to centralize in one department the responsibility in relationship to transportation and development of our mineral resource policies.

These responsibilities have somehow been fragmented in the past. If we look at transportation, despite the fact you were given this, and this department was going to be a department which was going to help develop northern Ontario—the development road has been taken away from you already!

As I said earlier today, the dust had not settled and the member for Parry Sound (Mr. A. Johnston) and company were moved off to yet another department.

You know he never even gets quite settled in his office. He has been shuffled around three times in one year.

**Mr. T. P. Reid:** Did he take his desk with him?

**Mr. A. Johnston** (Parry Sound): No, just my pen!

**Mr. Martel:** Just his pen!

What is happening? What has happened to this great dream; this great vision? You say it is communication and yet the Prime Minister of the day announced it was for development of the north and a whole host of other things. It is now back down to merely a department to provide information. What happened to the great dream; or the great vision?

**Hon. Mr. Bernier:** I can only relate to you what is in the estimates of this department.



**Mr. Martel:** I have the Prime Minister's statement before me.

**Hon. Mr. Bernier:** There is \$74,000 to do with The Department of Northern Affairs. This is what we are discussing today.

**Mr. Martel:** That is right. That is what I am discussing, the new department. The announcement made by the former Prime Minister—you will recall that great day in the Science Centre when he got all the northern members to a special luncheon and he made this tremendous announcement. You will recall some of the banner headlines. "Robarts Unveils Big Shuffle in northern Setup."

Now that is some shuffle!

**Mr. Haggerty:** It is the same deck!

**Mr. Martel:** It is the same deck; they keep using the same deck over and over again.

**Mr. T. P. Reid:** The same tired old game.

**Mr. Farquhar:** Let us have some response from the minister first.

**Hon. Mr. Bernier:** I think I gave this to you at the start, the introduction, of these estimates.

Interjections by hon. members.

**Hon. Mr. Bernier:** Do you want me to relate it again?

**Mr. Farquhar:** Yes—

**Hon. Mr. Bernier:** If you can get a copy of Hansard I can reread it to you but I am sure you have it in your mind.

**Mr. Farquhar:** There are some things I certainly do not understand.

**Hon. Mr. Bernier:** I would be glad to answer the questions.

Interjections by hon. members.

**Mr. Chairman:** Gentlemen! Mr. Martel, are you through?

**Mr. Martel:** No, I want to go back to the Prime Minister's statement. The member for Algoma-Manitoulin (Mr. Farquhar) just wanted to be let in. I would have been willing to let him in. You know, the statement went on, Mr. Minister:

As well as the result of representation received by us in these northern conferences, the following steps are being implemented. The transfer to the Minister of Mines and Northern Affairs of jurisdiction of the Ontario Northland Railway Commission so that this very important northern development tool is in the department which will be specializing in northern affairs.

What do you mean by specializing in northern affairs? This is from the Prime Minister.

**Mr. T. P. Reid:** He is not the Prime Minister.

**Hon. Mr. Bernier:** I think there has been a new change of policy.

**Mr. Martel:** Another one?

**Hon. Mr. Bernier:** Certainly, we have a new Department of Transportation and Communications, where a greater emphasis will be placed on the transportation problem.

**Mr. Martel:** It is always bigger and bigger emphasis.

**Hon. Mr. Bernier:** It was spelled out in the Throne Speech.

**Mr. Martel:** Greater and bigger things are always happening.

**Hon. Mr. Bernier:** Things happened years ago.

**Mr. Martel:** What happened to this department then that it was so emasculated before it even got going?

**Hon. Mr. Bernier:** Greater emphasis has been placed upon transportation.

**Mr. Martel:** Where?

**Hon. Mr. Bernier:** In a special department.

**Mr. Martel:** This was going to be the department that was going to develop the north! This department! Now what happened to it?

**Mr. P. J. Yakabuski (Renfrew South):** In conjunction with the south.

**Mr. Martel:** Here is the member for Hoboken!

**Mr. Yakabuski:** All right! You always mislead the committee. We have got to get the record straight.

**Hon. Mr. Bernier:** An order-in-council has been passed to change the responsibilities from this department to the new department of—

**Mr. Downer:** We have no Mason-Dixon line.

Interjections by hon. members.

**Hon. Mr. Bernier:** Yes, it has.

**An hon. member:** The Ontario Northland?

**Hon. Mr. Bernier:** Yes, when the minister was sworn in the other day, the new Minister of Transportation and Communications (Mr. MacNaughton).

**An hon. member:** Was there an order-in-council passed?

**Mr. Martel:** You still have not answered—

**Hon. Mr. Bernier:** I think there was. Yes, that is right, transferring over—

**Mr. Martel:** Has it been in the Gazette yet?

**An hon. member:** The Globe.

**Hon. Mr. Bernier:** I do not know about that.

**Mr. R. S. Smith:** It would not go into the Gazette for about a month.

**Mr. Martel:** This was going to be the department with the fanfare! You people have got pretzels coming out of your ears and you all played it to the hilt.

**Hon. Mr. Bernier:** This is your story.

**Mr. Martel:** We said at the time it was nothing but window-dressing. I think everyone who commented said it was going to be window-dressing—you were not going to develop the north. Now what you are telling us is that your sole responsibility is communication. Now, why all the nonsense for one and a half years then?

**Mr. Makarchuk:** There is an election coming up.

**Mr. T. P. Reid:** Do not look at me. I am not going to tell you.

**Mr. Martel:** What happened to this government, this party, that was going to develop northern Ontario?

Interjections by hon. members.

**Mr. Martel:** He is not going to give you the answers. We want the answers from you. What happened to this body that was going to develop northern Ontario?

Interjections by hon. members.

**Mr. Makarchuk:** We are pretty realistic around here, Mr. Minister.

**Hon. Mr. Bernier:** I can assure you that the northern part of the province will be developed. There will be no problem.

**Mr. Martel:** Mr. Minister, we have been hearing that for 28 years of Tory governments.

**Hon. Mr. Bernier:** I am not worried about that aspect at all; not at all.

**Mr. Martel:** You created another department to do it.

**Hon. Mr. Bernier:** We have played a very active part in the development of that part of the province.

Interjections by hon. members.

**Mr. Martel:** The member for Don Mills (Mr. Randall) said that, too! He is going to Ontario Place. Let us get serious about this. I do not think you are going to get off the hook this easily.

**Hon. Mr. Bernier:** You just read the news release of the Prime Minister; I do not think we have changed that much.

**Mr. Martel:** You are just a communication office now.

**Hon. Mr. Bernier:** The transportation aspect of it has been centralized and improved.

**Mr. G. W. Innes (Oxford):** It is propaganda now.

**Mr. Chairman:** Order, order! I cannot hear what is going on.

**Mr. Martel:** This department was going to develop the north. Now what has happened to that?

**Hon. Mr. Bernier:** I do not know where in this statement you see that the Prime Minister has said that this particular department was going to develop the north.

**Mr. Chairman:** Mr. R. S. Smith.

**Mr. Haggerty:** It was said at the Ontario Centre.

**Mr. Martel:** The white knight got into the act, then? Now, his statement.

The conference also brought out a commonly held feeling that communication generally between the north and the seat of government was lacking. This difficulty will be largely obviated in the proposed new government programme—

**An hon. member:** This disjointed government is also the seat of it.

**Mr. Martel:** To continue:

—which will see The Department of Mines and Northern Affairs providing co-ordination and communication between the people of the north and the government on the whole range of government services and facilities including communication and transportation.

And you have lost transportation.

**Hon. Mr. Bernier:** We have improved that aspect of it.

**Mr. Martel:** You have improved that aspect?

**Hon. Mr. Bernier:** Let me just interrupt and read you the principle objectives of this department as spelled out in this brochure.

**Mr. T. P. Reid:** What is it? Start with the question of what is it? That is what we are not clear on.

**Mr. Downer:** Let us go back to the quarries!

**Hon. Mr. Bernier:** I will start out with the principle objectives:

To establish sure, easy and rapid communication between the north and the centre of government in Toronto. To ensure that the northerner's problems with which the government should deal are handled speedily on the spot whenever possible, and by reference to the appropriate office and the appropriate department where necessary.

**Mr. Stokes:** We can read, we can read!

**Mr. Martel:** What about this statement, then?

**Hon. Mr. Bernier:** You tell me what has changed?

**Mr. Martel:** Let me quote this: "Changes in the provincial government establishment

indicated today in the Speech from the Throne will have far-reaching effects upon all residents of northern Ontario."

Are you telling me that that department—and no disrespect to Ralph—the far-reaching effect of this new department—

**Hon. Mr. Bernier:** Are you saying that you do not want the Northern Affairs office in your riding?

**Mr. Yakabuski:** You have not been back to your riding lately.

**Hon. Mr. Bernier:** Do you want us to remove those offices?

**Mr. T. P. Reid:** Old Tory blackmail. Shame! Shame!

**Mr. Martel:** We will come to what I want, do not panic.

Interjections by hon. members.

**Mr. Martel:** What are these far-reaching effects? What are the far-reaching effects of this department?

**Mr. Stokes:** Are you not able to handle your constituency problems?

**Hon. Mr. Bernier:** Certainly, I still have them.

**An hon. member:** What is your riding doing?

**Hon. Mr. Bernier:** I have got four in my riding. They do a great job.

**Mr. T. P. Reid:** May I ask the minister if every month he receives a report from each northern affairs officer across the north. Do you receive a report—

**Mr. Chairman:** Order gentlemen!

**Mr. T. P. Reid:** What is the matter with you?

**Mr. Chairman:** Order. There are several gentlemen who had their hands up and I marked them down.

**Mr. T. P. Reid:** They all left the room. You nodded and they all left.

**Mr. Chairman:** Mr. Smith, Nipissing.

**Mr. R. S. Smith:** I just have a few questions. Am I to understand from the minister then that the only thing we can discuss in regard to Northern Affairs under this vote is the actual operation of these 25, or whatever it is, offices?



**Hon. Mr. Bernier:** In the examination of the expenditures of the department this is where we are zeroing in—on the \$774,000 for the expenses of running the 25 offices and the setting up of the telecommunication system, or telex system rather, of the northern affairs offices.

**Mr. Makarchuk:** Which you leased, I presume?

**Hon. Mr. Bernier:** Yes.

**Mr. R. S. Smith:** As I understand it, on the three conferences that were held in northern Ontario, the money for those conferences was provided through this department?

**Hon. Mr. Bernier:** This was before my time.

**Mr. R. S. Smith:** Where did the former minister acquire the money to operate those three great big meetings of—

**Mr. Douglass:** It was a co-operative vote by all departments, governments—

**Mr. R. S. Smith:** There was some money that was in this department?

**Mr. Douglass:** Some money from our department.

**Mr. R. S. Smith:** Apparently your department had the responsibility for the arranging of those meetings and produced the booklet or a group of papers after those meetings, of which we all got copies. As I would understand from that, the responsibility of implementation of the recommendations that were made at those three meetings, and the consensus of opinion that was arrived at, the responsibility for the implementation of the policy that was to be developed from those meetings lay with The Department of Mines and Northern Affairs.

**Mr. Douglass:** No, sir.

**Mr. R. S. Smith:** Then what responsibility did the minister have?

**Mr. Douglass:** This policy was laid down by cabinet committee. A policy committee of cabinet took over the recommendations of these three meetings.

**Mr. R. S. Smith:** Made what?

**Mr. Douglass:** It was a policy committee from cabinet which made the recommendations to set up Northern Affairs.

**Mr. Martel:** A lot of window dressing.

**Mr. T. P. Reid:** And out of all those meetings—

**Mr. R. S. Smith:** All those meetings were held under the auspices of the minister of this department. We would expect from that that the responsibility that goes along with the recommendations that come out of those meetings would lie with the minister of this department, to see that it is carried forward and that there is something done from that large expenditure of money to acquire, presumably, some knowledge that was not available in any other way before.

**Hon. Mr. Bernier:** I think if I might just interrupt here, it became very clear, as I understand it, from those three meetings—there were two things that were really required in northern Ontario—one was improved communications and the other was improved transportation.

**Mr. T. P. Reid:** Money is what we need in northern Ontario.

**Hon. Mr. Bernier:** Out of the conferences came the northern affairs offices and the setting up of the NODC—the Northern Ontario Development Corporation. Those are two direct results of those three conferences held across northern Ontario.

**Mr. Makarchuk:** How many jobs have you created?

**Mr. R. S. Smith:** As far as I know, and I attended one of those conferences in Sudbury, there were many other major areas of concern that were discussed at that conference; some of them, I would think, more important than the two that you have suggested were the outcome of the three meetings.

**Hon. Mr. Bernier:** There is another example—the access roads budget was increased to \$5 million. These are the results that came out.

**Mr. Makarchuk:** You are going to lose the north.

**Mr. R. S. Smith:** Does the minister consider the establishment of the NODC, which is really nothing but a group of people who are put together with no responsibility at all—

**Hon. Mr. Bernier:** I beg to differ with that.

**Mr. R. S. Smith:** —and they have no right to do anything on their own. Just look at

the Act. The Act does not give them any budget to work with to start with. I do not know how you are going to do anything without a budget. They have no input into the policy decisions that are made.

**Hon. Mr. Bernier:** This particular item of course, Mr. Chairman, should be with The Department of Trade and Development. I am not qualified to speak on that particular Act, believe me. But I do believe in the setting up of the NODC.

**Mr. R. S. Smith:** Okay, we will go back to that then. Last year in the House, before the Act to establish the Northern Ontario Development Corporation was introduced I asked a question of the then Minister of Trade and Development (Mr. Randall) and he said it was the responsibility of the then Minister of Mines (Mr. A. F. Lawrence), if you will recall. Then we asked the Minister of Mines the next day—and the Minister of Trade and Development was not there—and he said it was the responsibility of the Minister of Trade and Development.

So nobody really knows who has what responsibility as far as northern affairs are concerned and we are no further ahead now than we were before the establishment of The Department of Mines and Northern Affairs. We are right back to square one. There is no cabinet minister that has the ultimate responsibility for the development of any programmes for northern Ontario.

**Mr. Innes:** Shame!

**Mr. R. S. Smith:** And this is what the Prime Minister was alluding to in his statement of establishment of this department.

**Hon. Mr. Bernier:** The objectives are spelled out to you very clearly.

**Mr. R. S. Smith:** The objectives that you spell out here are just objectives on a piece of paper, and the objectives that the Prime Minister spelled out when he announced the department would be established were altogether different from what you have here.

**Mr. Martel:** Here is what appeared in the paper, just for one minute—

**Mr. Yakabuski:** Order, Mr. Chairman. The member for Nipissing.

**Mr. Chairman:** Order! The member for Nipissing.

**An hon. member:** The member for Nipissing has the floor, Mr. Chairman.

**Mr. Martel:** I only have about half a sentence. If you will let me go on I will give it back to the member for Nipissing.

**Mr. Stokes:** I wish the minister would not try to coerce the Chairman.

**Mr. T. P. Reid:** He is confused enough without the minister helping him.

**Mr. Yakabuski:** That was not nice, but typical of you.

**Mr. Martel:** Are you getting this, Mr. Minister?

**Hon. Mr. Bernier:** No, I am not.

**Mr. Martel:** "Will act as a consultant to other departments advising them of the best solution to specific and unique needs."

**Hon. Mr. Bernier:** I certainly do that, I make every opportunity to consult with my colleagues.

**Mr. Martel:** Give us some examples, then.

**Hon. Mr. Bernier:** Certainly.

**Mr. R. S. Smith:** Well it is apparent then that your belief in the aims of your department are considerably different from what your predecessor's was.

**Hon. Mr. Bernier:** Exactly as spelled out here.

**Mr. T. P. Reid:** Well, he is not running for the leadership yet. Wait until he is running for leader then we will see some action.

**Mr. R. S. Smith:** I know. He is not a mining delegate.

**Mr. Makarchuk:** Why do you not tell them that you will lower the price of beef and that will get you off the hook.

**Mr. T. P. Reid:** Am I next, Mr. Chairman?

**Mr. R. S. Smith:** Mr. Chairman, I would just like to say to you again, as I said the other night, that if this is what The Department of Mines and Northern Affairs is, then I should think that you should bring in a bill to change the name of the department, because it is misleading and it is a hoax on the people in northern Ontario. It has nothing to do with development of policy for northern Ontario; all it is is strictly an information bureau, and it actually should be under The Department of Tourism and Information.

**Mr. Stokes:** Depends how you define "of affairs."

**Mr. T. P. Reid:** I have been looking for one of those "northern affairs."

**Mr. Makarchuk:** You are always looking for one.

**Mr. Chairman:** Mr. Farquhar.

**An hon. member:** It is useless to talk about it because there is nothing there to talk about.

**Mr. Chairman:** Mr. Farquhar, Algoma-Manitoulin.

**Mr. Makarchuk:** Have you got me on your list?

**Mr. Chairman:** No.

**Mr. Makarchuk:** Write it down.

**Mr. T. P. Reid:** He cannot spell your name.

**Mr. Farquhar:** There are a few things, a few questions I want to ask about the branch—

**Mr. Makarchuk:** Put a checkmark; an X.

**Mr. Farquhar:** —but I refuse to fight for the floor because I do not want to make any speeches, I want to ask a question or two. First of all I must start by saying that I foresee a very short future for this minister and this department and for his government.

**Mr. T. P. Reid:** Always reasonable!

**Mr. Farquhar:** He is just too honest, that is the problem. He is just too honest for this cabinet.

**Mr. T. P. Reid:** I do not think so.

**Mr. Farquhar:** The first thing I want to ask about is in connection with the estimates; the capital costs of establishing the offices, refurbishing them, setting them up with their two-inch carpets and their desks and so on, is not in this figure at all. It was all done last year?

**Hon. Mr. Bernier:** Last year, yes.

**Mr. Farquhar:** But we would have rental arrangements. Rental costs, rental and leasing costs for the branch's offices would be in there?

**Hon. Mr. Bernier:** No, Public Works looks after the rental of the buildings.

**Mr. Haggerty:** Gets him off the hook.

**Mr. Farquhar:** So there is no figure here for the rental and leasing arrangements for those offices?

**Hon. Mr. Bernier:** No.

**Mr. Farquhar:** But personnel, including the regional offices?

**Hon. Mr. Bernier:** The salaries and wages, employee benefits, transportation, communication, services, supplies and equipment.

**Mr. Farquhar:** I want to find out something about it a little bit later when you get a chance to get the information. I am not going to wait for it now, but I would like to find out something about the actual costs of running this branch—which would include leasing. Certainly; why not?

**Mr. Stokes:** The leasing of 25 cars from Gorries too!

**Mr. Farquhar:** And leasing of the cars, right! Although that could be I suppose, in transportation.

**An hon. member:** No, it could not be in that figure.

**Mr. Farquhar:** The other thing I want to know is: Are you convinced in your mind, Mr. Minister, that the officers themselves know specifically their own responsibilities at this particular point in time?

**Hon. Mr. Bernier:** Yes, I think I will have to agree with that. Sure they do.

**Mr. Farquhar:** You are sure?

**Hon. Mr. Bernier:** We hold regional directive meetings. I think Mr. Scott does a tremendous job.

**Mr. Farquhar:** You understand, and it is spelled right out here, that their only communication is with their senior officer in Toronto. That is their communication.

**Hon. Mr. Bernier:** Oh no. Within the region, within other departments within the area in which they operate. And with the federal government!

**Mr. Farquhar:** All right!

**Hon. Mr. Bernier:** They do a tremendous amount of work with the federal government. In fact I think we are averaging, correct me if I am wrong, Mr. Scott, about 5,000 inquiries per month across the whole—



**Mr. Farquhar:** I know about those inquiries; I have seen the lists many times and I have seen the duplication in the lists many times, so do not give me that one. I know all about those lists and I know that when one northern affairs officer calls up the other northern affairs officer that is on his list; and that can happen several times a day.

**Mr. Scott:** I do not think you will find that is true; I think you are exaggerating.

**Mr. Farquhar:** I know that there has been a change in that, but I know in the beginning there was a lot of that.

**Mr. Scott:** I think you must consider that in September we threw a group of people together who had never known each other and tried to organize them. We landed running in this operation, as you are aware. We did not have much time to start, and we probably did, in the initial month, do the type of thing you are suggesting. But we quickly remedied that and we now have pretty strict rules as to what we call transactions, and they are only items that are written up. This business of coming in to the counter and getting a pamphlet on OMSIP or something like that is not a transaction, sir; it is a matter that requires us contacting another department or something like that to find out something for someone else. That requires time. These are the only things we count as transactions.

**Mr. Farquhar:** Well, for instance, the kind of thing which happens—you know it happens—when the northern affairs officer calls the member, for instance, that is a contact. I presume that is—

**Mr. Scott:** That is a contact, but it is not a transaction.

**Mr. T. P. Reid:** Money has to change hands.

**Mr. Scott:** No.

**Mr. Farquhar:** How does that appear on the list of contacts?

**Mr. Scott:** He has got a daily sheet for statistical purposes. We are subject to a review. This is a new programme, and new programmes at periods in their early life are subject to reviews, and there are certain controls set up where you look at growth and various other things; and as a result of that we have a more complex bookkeeping than normal. My people have to keep track of the number of telephone calls they have,

the number of letters they receive every day, the number of people who come into the office at various times of the day—a lot of things. But these things are not transactions, sir.

**Mr. Farquhar:** All right. You just mentioned federal contacts. When they get a request, for instance, for information, or a complaint, for instance, about old-age security or family allowances or Canada pension, or Indian affairs or immigration, or passports—what do they do with them?

**Mr. Scott:** They may do a number of things. Now to give you some background, we average about 5,000 a month, this is the figure that has been quoted. We are down a little last month because we scared the boys a little bit and we tightened up too much on what they call transactions; so we are down in the last month. But there are about 5,000 a month and of that 5,000 all are handled in the north except for somewhere around 300. There are about 300 that cannot be settled in the north, and these come down to the Toronto office, to the various departments in Toronto, for settlement.

We feel that the north should have a chance of settling its own problems, this is why when we hired people we hired northerners. I think you will agree we did this, sir.

**Mr. Farquhar:** So you are saying they have authority. However—so it is understood at the federal level that they can make federal contacts. No problem; that is perfectly all right. They are provincial officers, but they can make federal contacts to the branches that I have just described, old-age security, Canada Pension, Indian affairs, immigration, passports, that type of thing; they can go directly to the federal government.

**Mr. Scott:** It is not a thing I can say yes or no to, sir.

**Mr. Farquhar:** I did not think so.

**Mr. Scott:** I hope you are not trying to make it difficult; I hope you are just trying to find out.

**Mr. Farquhar:** Well I am. I started with a question: Do the officers know what we can do?

**Mr. Scott:** A passport item can be very complicated. I will cite one I recall happened in Moosonee a short time ago. It involved a

person living in Moosonee who had applied for a passport; we entered into it in two ways. We entered into it because the person wanted a passport in a hurry and had not got it, and because when we contacted the federal office about the passport we found out that the proof of birth or citizenship—whatever it was—was not satisfactory. They had arranged to get a birth certificate from the province of their birth, which was Quebec.

**Mr. Farquhar:** Do you realize that in that particular area—and that is only one—their local member could do that in five minutes? He does it every day. I just want to be sure that the regional officers know exactly what they have the authority to do and what they are not supposed to do. What are the things they can do directly through Toronto and the things they can handle in the north? I wonder if they understand exactly?

**Mr. Scott:** A large number of the problems are handled through the department concerned.

**Mr. T. P. Reid:** Federal departments?

**Mr. Scott:** We are talking principally about provincial departments, although we do have federal contacts. We do a lot of our work through Information Canada, which has a similar responsibility to this branch, federally; we deal with Information Canada for a lot of material inside the federal government when we want it quickly.

You cannot always phone the department in Ottawa and talk to the people who have the answers. We find in many cases that it is wise to go through Information Canada; they either tell us who the proper person is to contact or they get the information for us.

**Mr. Farquhar:** That is one item, and just by comparison I will tell you what the—

**Mr. Scott:** All right. Now we are into the field of unemployment insurance applications; their offices are few and far between, and we have an arrangement with the commission whereby we stock forms and have some background where people can be helped in filling out these forms.

**Mr. Farquhar:** Somebody else may want to follow these federal matters, because it is creating some confusion in offices that I am aware of. There is no question about it. The officer is limited as to what he can do about the things that come to him every day, because he is not quite sure whether he can deal with federal matters, or if he can how he does it.

**Mr. Scott:** Well this is not the information I get from the officers, sir. They may talk more freely with me than they do with you.

**Mr. T. P. Reid:** Or vice versa!

**Mr. Scott:** Well this is always a possibility, I will grant that.

**Mr. Farquhar:** This is no major criticism I make of the department. I think there is some confusion, but perhaps within recent weeks you may have cleared it. I do not know, but it has been there.

**Mr. Scott:** Most of our contacts, of course, are with our own departments.

**Mr. Farquhar:** I am sure that as provincial officers that is where they were intended to be in the beginning.

**Mr. Scott:** We serve as an outstretched arm for a lot of them. In The Employment Standard Act, for example, where The Department of Labour does not have field offices in northern Ontario, our people took a three-day course in the new legislation at the beginning of the year and now handle all the first-stage complaints under The Employment Standards Act. If they feel the person involved does have a case, they put the case together and it goes to the audit people in Sault Ste. Marie who take it from there. If we do not feel they have a case, we will still put the material together for them and they can send it down.

**Mr. Farquhar:** Well, do you not find then that your need for contact, for instance with The Department of Indian Affairs, is hampered at all by the fact that you have to go through something other than normal procedures? In other words, you do not phone the Minister of Indian Affairs in Ottawa?

**Mr. Scott:** We do not have too much contact with Indians that requires contact with the Indian affairs branch. Indians normally do not like to deal with the Indian affairs branch any more than they have to. We do not deal with Indians as Indians per se; we deal with them as people who live in Ontario. We like to treat them like anyone else. We like to see that they get the same services, provincial services particularly, that everyone else gets. We have, perhaps, a special feeling for the Indians. We do not force ourselves on them, but we try—perhaps in a roundabout way—to do a little more for the Indians in some ways.



**Mr. Farquhar:** Well that is interesting, because the only branch of the provincial government that has anything to do with Indians is one that is oriented to development, and it says right here that you are not concerned with development, you are concerned with liaison only.

However, let us take a shot at one of the provincial programmes they do work with and they know—one they work with all the time. We will say they get a contact from somebody wanting workmen's compensation. Exactly how is that handled?

**Mr. Scott:** In the first instance, it is normally handled through the regional offices. A lot of this has gone through Sault Ste. Marie. The problem in many cases though, is that the file that relates to the case is in Toronto—I think there is also an office in North Bay and one in Thunder Bay, but I have not my material with me—this is done by the staff; it is not done by me. We have a co-ordinator in Toronto who does this contacting.

I believe there are three locations. The most active one in Sault Ste. Marie. Some of these are funneled through Sault Ste. Marie, in your area particularly. But quite often the file is not available in Sault Ste. Marie, in which case the officer comes through on our Telex to Toronto and we get directly onto the people in the Workmen's Compensation Board. They drag out the file, we get the information they have and get it back to our officer, and quite often we find that the material the applicant or his supporter is telling our local man about does not gibe completely with the Workmen's Compensation Board file. This is the problem in these remote areas. It is a matter of communication.

If you were an injured workman in Toronto, seeking compensation, you and your solicitor or your friend or your union counsellor would be banging on the doors of the Workmen's Compensation Board and everything would be meshed. This is a little bit more difficult for people in the north, and our basic job here is trying to nudge them a little bit down at the Workmen's Compensation Board to either: (a) come to a decision, or (b) reconsider the material; or (c) find out what is missing so that we can get to what they want—maybe another doctor's certificate.

**Mr. Farquhar:** Well let us follow that one just a little bit further. I am sure you realize there is not anyone around this table who

has not had a lot more information and experience with the Workmen's Compensation Board than any northern affairs office will ever have. To begin with, this is four, five or six cases a day that we have been dealing with for years. The problem that I see in workmen's compensation is that—you know, I took that one off the top of the list; I mentioned it first as a provincial programme—is that nine out of 10 of the complaints that go to your office have previously been to our office. We have had summaries; we have even had hearings and we have been to the board. Of course there is one more resort, which is the northern affairs officer. But in the process, you see what happens: The member has worked for a month on a case—I think I have about 30 on file at the moment—and gone all the way through the appeal procedure, then a northern affairs officer asks for a summary at that point. Somebody down here has compiled a file that thick for the member and for the union; then along comes a request from somewhere else and he compiles it all over again. Where do you see that this really has a function?

And it works in reverse also. It certainly does. We get claimants going to northern affairs officers first; so the procedure starts, and he gets frustrated about halfway through and he comes to the member. So the member gets into the act, after the northern affairs has started. And there must be somebody on compensation, since the northern affairs got into compensation, someone down at 90 Harbour Street must be just about nuts.

**Mr. Martel:** Files all over the place.

**Mr. Farquhar:** Well there is a situation, and if that is not duplication, if it is not getting any different answer in the end and it is not getting it any faster in the end, what is the purpose? All right, that is one point I wanted to make; and I can say the same thing about several other programmes.

**Mr. Scott:** Well sir, frankly I do not deal with the Workmen's Compensation Board. We have people who do, and I am perhaps not as clued in on the procedure of operating with the Workmen's Compensation Board as one of my officers who could come in here and be very glib and just whip off what happens. But I do know that in many cases we seem to be able to get things moving. In some cases they apparently reconsider their situation and ask for another doctor's report. In some cases the boy seems to get



some money. So we seem to be doing something.

**Mr. Farquhar:** Do you agree that—you know, the member hangs onto these cases until they are taken down to the last ditch, anyway. I think you would be hard put to find any member who does not. But in any case, you do agree there has to be duplication of work, of effort. Do you or do you not?

**Mr. Scott:** I am not convinced that it is as bad as you suggest. I would perhaps agree that—

**Mr. Farquhar:** I did not say it was all that bad, but I am asking you: Do you agree that there is duplication as a result?

**Mr. Scott:** I would have to be shown a little bit more than I have been told tonight, sir.

**Mr. Farquhar:** Okay.

**Mr. Martel:** Well, I just want—

**Mr. Scott:** Incidentally, our people are supposed to ask their client: "What is the background of the complaint, where have you gone before you came to us;" to try and avoid a lot of this duplication.

**Mr. Haggerty:** You have got to go?

**Mr. Chairman:** Did you put your hand up?

**Mr. Farquhar:** I must make one thing clear before I give up.

**Mr. Scott:** I am not trying to frustrate you, sir. I am trying to give you honest answers.

**Mr. Farquhar:** Well that is fine; and I am trying to present an honest problem. I really have no objection to the overall principle of the northern affairs officers. I am saying, though, are they being directed, and do they know what they are doing? Do they know and does the minister know that there is duplication resulting, and where it is resulting; and for heaven's sakes is something being done about it? Because there is no point, with the kind of money that is being spent in that department, there is no point in the member and the regional officer doing the same work.

**Mr. Scott:** We knew we were getting into an area where the members obviously had been and are working. There is no secret about this and we have tried to be very

unpolitical. I think we have been fairly successful in this; we have worked with the members whenever we could on anything that a member was involved in, and as I say if we find out that a member is in the process of dealing with a thing, we try to back off from it.

**Mr. Farquhar:** Well I must say that, you know the three, four in my riding know that my files are open to them day and night, anytime they want to come to me and see for themselves. And I think they do this.

**Mr. Scott:** And anytime we can help you, we will. I think they do.

**Mr. Farquhar:** They do, they do!

Now it remains to be seen, and you know when the campaign starts at election time we will find out whether in fact they are as non-political as they are supposed to be. We will find that out.

But in the meantime they are being given a fair chance to operate, as far as I am concerned. But I do say there are some of these difficulties coming to the front, and I think it is our responsibility to bring them to your attention.

**Mr. Scott:** I would appreciate it if you would bring them to my minister's attention or to my attention, when they occur, and we will try to do something about them, sir.

**Mr. Farquhar:** Well—

**Mr. Scott:** We are not perfect. We would like to be, but we are not and we would like to improve. We are trying to make an honest effort to do something.

**Mr. Farquhar:** Well that is enough for me for the moment.

**Mr. Chairman:** Mr. T. P. Reid, Rainy River.

**Mr. T. P. Reid:** Well thank you, Mr. Chairman. I have made copious notes and—

**Mr. Jackson:** Mr. Chairman, may I ask a question?

**Mr. T. P. Reid:** No. Mr. Chairman, I have been waiting a great—all night here—waiting to say a few words in this regard, and my friend and colleague from Timmins—Timiskaming—has just come in and is trying to assert and take over the committee and I must object. I would like to carry on from where I was before I was so rudely interrupted.

**Mr. Chairman:** The member for Rainy River.

**Mr. T. P. Reid:** Thank you, Mr. Chairman.

I just have a few remarks I would like to make in regard to this department.

It seems to me on working these figures out from a financial point of view that \$774,000, and we will round it out to \$775,000 if we may, divided by 25 northern affairs officers, comes to \$31,000 apiece to run those offices, exclusive of the rent, which we can probably put at anywhere from \$5,000 to \$10,000 a year. Is that high? Well \$5,000!

**Mr. Scott:** You are talking about some 70 people. There are 32 officers—there are 25 offices. There are three regions and then there is the head office here in Toronto, of seven or eight people.

**Mr. T. P. Reid:** Which is included in this vote.

**Mr. Scott:** Yes, sir.

**Mr. T. P. Reid:** Well that changes it somewhat, because probably the northern affairs officers are living on about \$4,000 and the Toronto staff are getting the bulk of the money. This is usually what happens.

But in any case, let us say that if we divide it up roughly, whichever figure you want to use, it is costing us somewhere in their neighbourhood of \$20,000 to \$35,000 to run each one of these offices. Would that be a fair assessment?

**Mr. Scott:** I think that is a little high but we will accept it for the purpose of your discussion.

**Mr. T. P. Reid:** Well the salaries are roughly \$12,000 apiece.

**Mr. Scott:** No, the northern affairs officers, the area officers, their top is just under \$12,000. They start at around \$10,000, some of them, that is their basic salary, depending on what they were earning—

**Mr. T. P. Reid:** Their basic salary being \$10,000.

**Mr. Scott:** Approximately \$10,000.

**Mr. T. P. Reid:** Ten thousand dollars.

**Mr. Scott:** Yes, and some of them came in from other departments. Some of them were in an area where on the transfer they came in at above the minimum, one or two may be at the maximum.

**Mr. T. P. Reid:** All right. So regardless they are making somewhere between—what is the maximum salary they would be making?

**Mr. Scott:** Approximately \$12,000; the supervisors' maximum is approximately \$15,000.

**Mr. T. P. Reid:** Well you know that is not bad. They are making between \$10,000 and \$15,000, let us say \$11,000 or \$12,000 as an average. They have a private office, they have a private secretary, they have an expense free phone bill which I gather they are never questioned on; they have telex, they have a rented car—which as my friend from Thunder Bay mentioned you have the temerity to rent in southern Ontario for a Northern Affairs department; and I thought that took a lot of guts.

Unfortunately we cannot blame the present minister for that, but really I think it underlines and symbolizes the government's really crass attitude to northern Ontario. You set up a department of Northern Affairs and then you furnish it with the goods and services from southern Ontario.

**Hon. Mr. Bernier:** It was to save money that we did that.

**Mr. T. P. Reid:** I do not want to carp; I do not want to steal the thunder of the member for Sudbury (Mr. Sopha), but the members of the Legislature are not as well outfitted as the northern affairs office. And I am not really complaining that they are overly paid, that they have nicer perquisites than we do, but surely it should be something for the government to think about on a larger basis. I pass this on to the minister in the hope that he will pass it on to his colleague, that perhaps the members might be entitled to something similar to what the northern affairs officers have.

You know I feel like a poor second cousin when I go into my riding and I see a brand new Chevrolet being tootled down the street by a northern affairs officer. I walk humbly into his office—

**Hon. Mr. Bernier:** I want to interrupt you for one minute. The member for Rainy River, I am sure, is costing the taxpayers of this province well over \$25,000 a year.

**Mr. T. P. Reid:** And I am worth every penny of it and more.

**Hon. Mr. Bernier:** I am not saying that!

**Mr. T. P. Reid:** You agree, Mr. Minister, I see you shaking your head.

**Hon. Mr. Bernier:** I am nodding this way, in the negative, not the affirmative.

**Mr. T. P. Reid:** Really, I just pass this on for the minister's interest because I think it is something that is germane to this topic. And I pass on the experience that they have in California where the members of the California Legislature have an office, paid for by the Legislature, in their riding. They have a chauffeur-driven car. They have a gasoline allowance. They have—

**Mr. Chairman:** That is California, not here. Let us get on with this.

**Mr. Martel:** Where did he come from again?

**Mr. T. P. Reid:** Who is that man?

**Mr. Chairman:** I want you to know—

**Mr. T. P. Reid:** You give somebody a gavel and he is a combination of Napoleon and Churchill and Patton.

**Mr. Chairman:** Is the member finished?

**Mr. T. P. Reid:** I am not finished, I just have a few more remarks to make.

I would just like to ask the minister and Mr. Scott about this matter of reporting. We did not get really into it. I understand that—and Mr. Scott has alluded to this—a report goes to Mr. Scott, I gather is it, once a month as to the number of transactions—is that the word you were using—each month. Is this correct?

**Hon. Mr. Bernier:** Listed.

**Mr. T. P. Reid:** Listed?

**Hon. Mr. Bernier:** Numbers.

**Mr. T. P. Reid:** Right, how many calls went to Provincial Secretary—this sort of thing. Does that report arrive at any point in time on the minister's desk?

**Hon. Mr. Bernier:** Yes it does.

**Mr. T. P. Reid:** And what does the minister do with it once he gets it?

**Hon. Mr. Bernier:** Circulates it to other ministers, other departments, for information.

**Mr. T. P. Reid:** And what is the purpose of that? To show them the efficacy and what a great job they are doing. I see.

**Mr. Stokes:** Why did you not circulate it for the sitting members?

**Mr. T. P. Reid:** I was just getting to that.

**Mr. Stokes:** Put me on your mailing list.

**Mr. T. P. Reid:** Could we have a copy of that report every month, because it would be of immense and abiding interest to myself?

**Hon. Mr. Bernier:** I will send you the list, sure. The numbers showing from their Fort Frances office? I think we published the first part; it was a publication.

**Mr. T. P. Reid:** All the offices in my riding I would appreciate. Well since you are in such a generous mood would it be possible to get a copy of that secret Tory survey that was taken about a year ago which we never have seen?

**Hon. Mr. Bernier:** I do not know anything about that.

**Mr. T. P. Reid:** You do not know anything about it?

**Mr. Stokes:** It is so secret even he does not know about it!

**Hon. Mr. Bernier:** I will send you a list.

**Mr. Scott:** Mr. Reid, what we do—

**Mr. T. P. Reid:** I thought I would put that in.

**Mr. Scott:** —is each month we compile a table by offices, and the first table shows the number of transactions by the office and the total for the province. The second table is by departments, or where there is a commission or something under the department, that is shown separately; and these can be supplied, if you would like.

**Mr. T. P. Reid:** Is there any evaluation by the office as to where we are having most of our problems—dealing with this? Most people do not understand this policy, or most people are complaining about that policy?

**Mr. Scott:** The minister does this circulation at the ministerial level.

**Mr. T. P. Reid:** No, no, Mr. Scott, answer my question.

**Mr. Scott:** I was just explaining how we deal with it. May I?

I circulate this at the liaison committee level. We have on the liaison committee—which we go to when we are in trouble with



a department and we cannot get information—fairly senior people. They are branch heads, or in the case of The Department of Public Works, Mr. Hilliard, the deputy minister. In Lands and Forests it was Keith Acheson before he retired and we have someone else in there now.

This information is circulated to them. Also we may see a problem area which is brought to our attention. We go to them with this problem area. We carry on quite a bit of research for departments. Early in our history we had an inquiry from a department.

"We have been told we need to open an office in a particular locality. We do not know whether or not we need an office there. What can you do for us?" We said, "We can do a little special reporting for your department in this area." We did that for two or three months, and they decided they did not need an office in that area as we could handle the answers and get the material back to them.

We do work for the departments. If we see for example—this is not a true thing—but if a new form came out on welfare and we got a dozen calls the first week trying to find out what a particular line meant, this would get back into the department within a few days so that they could correct the form. We do this type of thing for them.

**Mr. T. P. Reid:** So this material is really—you get these comments from your offices and it is sort of collated or put together by this committee, or it reaches—

**Mr. Scott:** It goes to the individual persons on the committee. But our action on what happens in our offices does not wait until the end of the month when these figures are collated. If something happens this week, the officers are coached to look for this type of thing, and the supervisor of the region is watching too, on a pretty close basis. The information on where there is trouble gets back to the department almost immediately.

**Mr. T. P. Reid:** Not that I have a suspicious or nasty or mean mind at all, but it seems to me that we have built in here a very sensitive and very increasingly competent political survey-type establishment. I would not suggest that, of course, but it could very well happen. I would be very interested in seeing these reports. You have undertaken to provide them and I appreciate that.

**Mr. Chairman:** Mr. Smith from Nipissing.

**Mr. R. S. Smith:** I have a few comments to make. As I figure it out, last month you did less than 5,000 actual cases.

**Mr. Martel:** How did he get back in ahead of me?

**Hon. Mr. Bernier:** Yes, slightly under 5,000.

**Mr. R. S. Smith:** You do about 60,000 a year?

**Hon. Mr. Bernier:** That was because of a recalculation of how they were—

**Mr. Scott:** We think our figure was nearer 5,500 but this was the figure we got and we have had to accept it.

**Mr. R. S. Smith:** On that basis you do about 60,000 a year. The cost, including the rent and everything, would likely run over \$800,000, perhaps \$850,000. When you figure it out, it is costing you about \$17 per case that comes into those offices and that you people deal with. It is about \$17.

**Hon. Mr. Bernier:** I think we are providing services that are not recorded, though, in the 5,500. This is the problem. A lot of the information which is given out never shows in those lists.

**Mr. R. S. Smith:** Yes, but those are not actual things you deal with. That is just giving out a pamphlet or something.

**Hon. Mr. Bernier:** Yes, providing information. And as the department gets better informed, a lot of the information will be handled out without any recordable transaction at all.

**Mr. R. S. Smith:** But it appears that this is a rather high cost when you figure that for everybody who comes in that door with any kind of a problem at all it is going to cost the taxpayers \$17. And I am sure there is a much better way to handle this than an expenditure that is that high. And, also, if you figure it out, you have about 80 people—is that right, the total number in the branch?

**Mr. Scott:** We have 67 actually. Sir, I would like to read something to you here. It is an observation by Mr. Morpurgo, the regional supervisor in northwestern Ontario, who got a little bugged because I was pushing him on the importance of accuracy on our count to meet Treasury Board when we have to account for ourselves, and he writes as follows:

The number of transactions are only one element in measuring activity of northern affairs officers and should not be used as the main guideline in judging the service. Therefore, even if the cost of transactions may be high (by dividing total operating costs by the number of transactions) it does not make sense to suggest the alternative of a toll-free line to Toronto as a cheaper means to accomplish the purpose: the same purpose would simply not be accomplished.

A great number of transactions are not of the nature that can be answered by an official in Toronto over the telephone. Many require a person at the local or regional level to deal with several agencies to unravel situations, find solutions and not infrequently provide the missing link which is beyond the responsibility of any department in northern Ontario.

The personal approach of a northern affairs officer, conscious of northern conditions and priorities, cannot be replaced by a telephone line to the switchboard of Queen's Park.

And he went on with a lot of other things which he thought counted.

For example, some of these transactions that we write up take a lot of time. A transaction that is only counted as one was the ethnic conference in Sudbury a few weeks ago, where they got a grant of money from the government to run a conference for ethnic people to decide what the needs of ethnic people were in northern Ontario.

They had no secretarial arrangements, but they had funds. My organization provided the secretarial arrangements for this conference, they got their out-of-pocket expenses back, and this was a thing that went on for, I imagine—the organization of it and one thing and another—went on for a period of two or three weeks. You only get one mark for that.

**Mr. Martel:** The community development officer is supposed to be doing that.

**Mr. R. S. Smith:** I never did suggest, and I hope you were not trying to put words in my mouth, that a telephone line from Toronto to these points north—

**Mr. Scott:** No, this is what I am reading in this letter. It just happened to be in here, as a remark I made.

**Mr. R. S. Smith:** I am suggesting to you that the main purpose of these offices, as

I understand it, is to provide information to people and you count your cases. I am sure you count every case where there is information provided, and it is costing in the area of \$17 per case. That is a high cost. I think the same services could be provided at a much more reasonable cost. Secondly, if you have 60,000 cases a year—

**Mr. Scott:** We are hoping for nearly 100,000 actually.

**Mr. R. S. Smith:** Okay, but your figures show that you have 60,000 and you have a staff of around 75—

**Mr. Scott:** Sixty-seven; 60 in the north and seven in the south.

**Mr. R. S. Smith:** It works out, you know, that you have three cases per staff person per working day. I will tell you that I do not know if there is a member sitting in this room who has any fewer than 15 cases per day. You know, I think there may be some offices which are really busy and maybe the fellow is providing a real service for the moneys that are being spent in that area. I think the one in my city, North Bay itself, is one of the busier offices and does provide—

**Mr. Scott:** You have seen some of the things that the man there has done. He comes through, does he not? He comes through usually?

**Mr. R. S. Smith:** Oh yes. Sure I am not complaining about that. What I am talking about is if that is the case, there must be some offices where they are not doing very much.

**Hon. Mr. Bernier:** I think it is safe to say though, Mr. Smith, that we have only been into the programme since last September. We are breaking new ground in a new field. Certainly we would love to have your suggestions and all your ideas, because maybe we should be going to a different field, a broader issue. I do not know. Give us your suggestions.

**Mr. R. S. Smith:** I would suggest to you that the first thing you have to do is to change these offices so that they are actually ombudsmen.

**Mr. T. P. Reid:** No! No!

**Mr. R. S. Smith:** And they are outside the responsibility—

**Mr. Scott:** Our instructions are that this is the member's responsibility.

Interjections by hon. members.

**Mr. Bullbrook:** No, he does not disagree.

**Mr. T. P. Reid:** No, I am sorry. The qualification—this is the problem—they should not be ombudsmen or try to act as such while they are creatures of and responsible to the provincial government, and your department in particular.

**Mr. Jackson:** On a point of order, Mr. Chairman, can I get into this too?

**Mr. R. S. Smith:** No; I have the floor and I would just like to make a point. You can come right after me. The point I am trying to make here—

**Hon. Mr. Bernier:** If I may interrupt here. It is 10.30 now.

**Mr. Martel:** Okay!

**Hon. Mr. Bernier:** Wait a minute, just hear my comments. I will not be here Thursday, but we could sit tonight or start at 3 o'clock tomorrow afternoon with your permission. Do you want to wind up tonight—we have two votes left—or do you want to wait and go back into it next Monday or Tuesday?

Interjections by hon. members.

**Hon. Mr. Bernier:** Half an hour tonight would just do it.

**Mr. Martel:** Mr. Chairman, what about tomorrow morning at 10? We have a committee meeting anyway.

**Hon. Mr. Bernier:** Does Mr. Farquhar agree to sit tonight?

**Mr. Farquhar:** Not unless we have a commitment set up so that we can conclude.

**Hon. Mr. Bernier:** Do we have a general commitment that we finish at 11 o'clock?

**Mr. Martel:** We have to finish energy board and northern affairs in half an hour?

**Mr. Jackson:** What about sitting tomorrow?

**Hon. Mr. Bernier:** In other words, the NDP does not want to talk—

**Mr. Martel:** That is a lot of nonsense. I suggest that we come in at 10 tomorrow morning.

**Mr. Jackson:** Tomorrow morning is fine!

Interjections by hon. members.

**Mr. Martel:** This committee meets tomorrow morning and the Clerk has already made arrangements with the mining commissioner—

**Hon. Mr. Bernier:** That could be changed.

**Mr. Martel:** —that we call it off. Right?

**Hon. Mr. Bernier:** We could change that and we could continue the estimates of this department.

**Mr. Martel:** Right; we are very co-operative. I hope you retract that statement.

**Mr. W. Newman (Ontario South):** Mr. Chairman, we have rules and procedures of this House. I do not want to be difficult, but we do have rules and proceedings we should follow, and tomorrow is a committee day.

**Mr. Jackson:** Rules and proceedings say that the Chairman can decide.

**Mr. Martel:** We went through estimates last Wednesday.

**Mr. W. Newman:** The chairman of this committee can if he wants to—

**Mr. Martel:** Last week we went through the estimates of the Department of Health in committee. What are you talking about?

**Mr. W. Newman:** Only because we had another meeting called off.

**Mr. Jackson:** Mr. Chairman, 10 o'clock tomorrow morning!

Interjections by hon. members.

**Hon. Mr. Bernier:** The Chairman has suggested that we meet tomorrow. He made this suggestion.

**Mr. R. S. Smith:** What is wrong with next Monday?

**Hon. Mr. Bernier:** If you wish to drag on that long, it is fine with us.

Interjections by hon. members.

**Hon. Mr. Bernier:** There is a meeting of the committee on natural and physical resources slated for 10.30 tomorrow morning; is that not right?

**Mr. Martel:** Ten o'clock.

**Hon. Mr. Bernier:** Where the mining commissioner will be, but we can take his place and wind up, if you are in agreement.



Mr. R. S. Smith: Ten tomorrow morning?

Hon. Mr. Bernier: Yes; 10 tomorrow morning.

Mr. Martel: I hope you retract that statement you made that we are not co-operative.

Hon. Mr. Bernier: Yes, I will.

Mr. Martel: Fine.

Hon. Mr. Bernier: I will be glad to.

Mr. Chairman: All agreed?

Mr. Jackson: Ten tomorrow morning?

Hon. Mr. Bernier: Ten tomorrow morning! Thank you very much gentlemen.

The committee adjourned at 10.30 o'clock, p.m.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Mines and  
Northern Affairs

Chairman: Mr. M. Hamilton

JUN 21 1971

UNIVERSITY OF TORONTO

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Wednesday, June 9, 1971

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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# LEGISLATIVE ASSEMBLY OF ONTARIO

WEDNESDAY, JUNE 9, 1971

The committee met at 10:10 o'clock, a.m., in committee room No. 1; Mr. M. Hamilton in the chair.

## ESTIMATES, DEPARTMENT OF MINES AND NORTHERN AFFAIRS

*(concluded)*

On vote 1305:

**Hon. L. Bernier** (Minister of Mines and Northern Affairs): Before we start, gentlemen, I would like to express my thanks for your kind co-operation in sitting this morning. I will not be here tomorrow and the Ontario Energy Board has some very important things to attend to next week in the south-eastern part of the province; so your co-operation is sincerely appreciated by myself and all those involved.

**Mr. Chairman:** Thank you, Mr. Minister.

**Mr. F. A. Burr** (Sandwich-Riverdale): Mr. Chairman, on a point of order. I got a notice that the mining commission was to be in Room 440 this morning. I went there, and they said it was moved to committee room No. 1. I came here but where is the mining commission?

**Mr. Chairman:** I think we have the whole Department of Mines and Northern Affairs here this morning. I believe the decision was made by the members of the physical and natural resources committee last night before they adjourned. I was not present at that particular time, but I believe the commitment was made that they would meet on the estimates this morning rather than have the mining commissioner in, particularly because of the very fact that we are on The Department of Mines' estimates.

**Mr. Burr:** You mean I could have had a couple of hours' extra sleep?

**Mr. J. E. Stokes** (Thunder Bay): Will he be in?

**Mr. Chairman:** We can make arrangements for the mining commissioner to attend, yes.

**Mr. M. Gaunt** (Huron-Bruce): You mean after the estimates are complete?

**Mr. Chairman:** Yes. As a matter of fact, it was a decision of the physical and natural resources committee members last night to continue with the estimates.

**Mr. Gaunt:** I did not know.

**Mr. Chairman:** Mr. Smith.

**Mr. R. S. Smith** (Nipissing): Mr. Chairman, I have just a couple of questions. The first one is with regard to the satellite offices. These people who are appointed as officers in these offices, do they remain on the staff of their present department and is there extra remuneration for them for the services that are being provided through this office? Or is that another expense that you cannot—

**Hon. Mr. Bernier:** No, I should explain these are voluntary helpers who contribute their time and their willingness to assist the line of communications in co-operation with the northern affairs office. They receive no remuneration at all—not one cent.

**Mr. R. S. Smith:** Other than what they are presently being paid in their jobs in other departments?

**Hon. Mr. Bernier:** The thing is they may not be provincial civil servants. In my home town we have a postmaster. There are other areas where we have different people in different walks of life who contribute.

**Mr. E. W. Martel** (Sudbury East): Tory organizers?

**Hon. Mr. Bernier:** This fellow is not a Tory—definitely not.

**Mr. R. V. Scott** (Northern Affairs Branch): They are either provincial or federal civil servants—postmasters in very small communities where there is no government buildup—and in many cases they are municipal employees. I would say about half of the satellite officers are municipal clerks.

**Mr. R. S. Smith:** For example, who is the one in Timagami?

**Hon. Mr. Bernier:** Would the members appreciate a list of all the various northern affairs officers?

**Mr. R. S. Smith:** Yes.

**Hon. Mr. Bernier:** And their satellite officers? They may be of interest for their own ridings. We would be glad to get that information for you, put it in a documented form and mail it to you.

**Mr. R. S. Smith:** This is the only one I am interested in, because I guess it just happened this month.

**Mr. Scott:** The satellite officer in Timagami is Mr. L. J. McAnulty. He is the treasurer of the improvement district of Timagami and the postmaster.

**Mr. R. S. Smith:** Is there some type of campaign to make the people aware of who is in this area? How is this done?

**Mr. Scott:** Yes, this is an area that we are looking into right now. The response from some of the satellites has not been as great as we had hoped.

**Mr. R. S. Smith:** Nobody knows who they are.

**Mr. Scott:** All right. We are looking at the possibility of some small cheap ads in the local newspapers. In some cases we were able to get some free publicity at the time of the appointments; in some cases the mayor would make an announcement that the municipal clerk had been appointed a satellite officer, that these were his duties and people with problems could come to him and they would be transmitted. In other areas, we have not got this co-operation and we are looking into the possibility of a newspaper campaign.

We also have produced some cards—they are a little larger than foolscap—with information about the location of the satellite office and this type of thing. We are beginning to put these around in store windows.

**Mr. R. S. Smith:** Why do you not do a drop mailing in those areas?

**Mr. Scott:** I am sorry. I do not quite understand.

**Mr. R. S. Smith:** Why do you not do a drop mailing in the areas being served by the satellite officers to let the people know they are there?

**Mr. Scott:** This is a possibility.

**Mr. R. S. Smith:** It does not take much imagination to do that, you know. It would go in to every household and everybody would know. But I know so well that the people in that area do not know who he is; I did not know who he was. I think if you are going to get results out of this, you have got to tell the people where they are.

On another question—I have to go back to something we were doing last night—did the minister indicate last night that he was going to provide members in the area with the monthly report that is provided to Mr. Scott and himself?

**Hon. Mr. Bernier:** Yes, the list of inquiries in numbered form; it shows the number of inquiries from each office and to what specific departments they go to.

**Mr. R. S. Smith:** This is not broken down into individual inquiries?

**Hon. Mr. Bernier:** No.

**Mr. R. S. Smith:** This then is provided to your office?

**Hon. Mr. Bernier:** No, it is not.

**Mr. R. S. Smith:** It was at one time.

**Hon. Mr. Bernier:** No, it is not—it never has been.

**Mr. R. S. Smith:** There were certain individual things that came to the attention of—

**Hon. Mr. Bernier:** It is a list, a numbered list, as to the number of inquiries to The Department of Social and Family Services from each specific northern affairs office. It is just a number, that is all. Just a number.

**Mr. R. S. Smith:** The name of the person is not involved?

**Hon. Mr. Bernier:** No, not in these lists at all.

**Mr. R. S. Smith:** Well, there have been cases that have come to my attention where the name of the person has been distributed to others than those within the northern affairs office in the area and, as far as I am concerned, I do not want it. I do not want the names of the people who go into those offices, and I do not think that this should be made available to anybody other than the northern affairs officer and those people with whom he deals directly on the particular problem. As I understand it, there was one area where much of the correspondence was

being forwarded to people other than those involved directly with northern affairs.

**Hon. Mr. Bernier:** Well, I think if they are solving a specific problem, then it should go to the liaison officer of that particular department. If there is a problem with the Attorney General's department, then possibly the liaison officer with that department, who would be a civil servant, would be informed. They have key liaison officers with each specific department.

**Mr. R. S. Smith:** Well, can you assure me then that there is no information going out of those offices in regard to the people who go there for assistance; there is no information in regard to what they were requiring assistance for going to any person other than the officer himself and that department of government with which he deals on that particular problem?

**Hon. Mr. Bernier:** It would go to that specific department.

**Mr. R. S. Smith:** But there is some question of whether some of the members were being provided with some of these—

**Hon. Mr. Bernier:** Not to my knowledge; not unless they get it directly from the northern affairs officer. And I understand that some of the members have a good working arrangement with some of the northern affairs officers—

**Mr. R. S. Smith:** Right.

**Hon. Mr. Bernier:** —which is a good thing. I think Mr. Farquhar mentioned last night that he has a good working relationship. Some of their members, I think, call in on the northern affairs officers and ask them what the week's transactions were. This is something—

**Mr. R. S. Smith:** There is no question. If they are asking about a specific transaction—

**Hon. Mr. Bernier:** Yes.

**Mr. R. S. Smith:** —they should be provided with the information. I suppose this is available to any member if he is dealing with a person on some problem. He can go in and ask what has been done.

**Hon. Mr. Bernier:** Right.

**Mr. R. S. Smith:** That is only reasonable, as long as the information is not available—

**Hon. Mr. Bernier:** To all members.

**Mr. R. S. Smith:** —to anybody without a request of a specific nature. But, as I understand it, this information was being made available at certain times.

**Hon. Mr. Bernier:** Not to my knowledge, it is not.

**Mr. Chairman:** Mr. Jackson.

**Mr. D. Jackson (Timiskaming):** Yes, I would just like to go back to 1969. As the minister will remember, we had several conferences through the north where the people in the area were supposed to report to the members of the cabinet, tell them their problems and communicate with the ministers on problems in northern Ontario. Out of that came Northern Affairs.

Shortly after those conferences were finished and the results were tabulated, the minister announced northern affairs officers as a means of communication for northern Ontario. It is my opinion that the minister then failed to communicate with the people of northern Ontario. Surely that was not what we meant when we said we lacked communication between northern Ontario and Queen's Park. What we were talking about is exactly what happened: no one seems to understand really the problems of northern Ontario, and when they do something which is supposedly to help us, it is more of a tokenism than anything else.

I have to admit that the northern affairs office in my area is serving a purpose, is doing a good job of the job for which it was set up. But surely it is only a token if you think they are acting as a means of communication between northern and southern Ontario, because they just are not. They are solving individual problems for us, but as for the overall problem of northern development, the overall problem of lack of medical services, the lack of industrial development, the government just does not seem to have done anything about that. This is what we meant when we said that you do not communicate with us.

Now instead of a northern affairs department—to us it is like saying we will do something to keep you quiet a little longer, but let us not push the issue too far. Surely if you are going to do something for northern Ontario, those offices have to be something more than just communication centres, something more than just a teletype and telephone. You put the northern affairs officer into an office, you tell him that he can solve problems, but you give him no authority to go



over and above just making communications. Surely he has to be able to have some authority to go into a department and have a little bit of push that he can convince people. Just acting as a teletype operator and a giver of advice is not solving the problem in northern Ontario.

Something that bothers me very much is that since we have northern affairs offices, because everyone thinks we have a lack of communication in that sense, why do you not have them in eastern Ontario? Why do you not have them in western Ontario? Surely they are as far away from Queen's Park as we are. And if you go into the eastern counties of this province you will find that they have the same lack of communication with Queen's Park. Basically they have the same lack of communication as we now enjoy because of government policy in northern Ontario. The government listens to us. They come down and say, "We now know what all of your problems are," and then they come back and give us more of the tokenism that we have received for 100 years.

To take those conferences in 1969 and evaluate them and then come back with what the government did in the northeastern Ontario regional development scheme surely means that what we said at all of those conferences just went over your head. It may be the northern affairs offices are serving the purpose of getting messages back to us a little faster, but you are still failing to communicate with us.

Unless your people and unless people within the government start communicating on a basis where we understand one another, then all of the northern affairs offices in the world are not going to change anything for us. I am just slightly puzzled why it was necessary to put northern affairs offices in northern Ontario when you failed to do anything for the eastern counties, when you failed to do—

**Mr. T. P. Reid (Rainy River):** You are not complaining about that?

**Mr. D. Jackson:** Let me finish and you can get into it. Why was it necessary to put them into northern Ontario when they failed to do anything for the eastern counties? When you failed to do anything for much more isolated communities, why was it necessary to give them to us?

Now that they are here, why do you not give them the authority to do something, to become involved in northern development so

that they can make decisions that affect our day-to-day situations? Make them something more than just teletype operators. I would like some answers from the minister.

**Hon. Mr. Bernier:** If I may comment on your remarks concerning the setting up of an ombudsman, I do not think that a civil servant should act in that capacity. I think if you are setting up an ombudsman he should be removed completely from government, and active in the proper capacity of an ombudsman. You cannot put a mini-ombudsman, so to speak, in 25 northern affairs offices. This is completely wrong. It would be impossible. I think it would be asking too much of that individual to act in that capacity.

**Mr. Martel:** You could use an executive assistant up there.

**Hon. Mr. Bernier:** Southern Ontario, of course, is more highly populated; the areas are much closer together. It is much easier to get to major centres and to major provincial departments in southern Ontario. A fellow from Samia can be here in 2½ hours if he wants to come to Toronto, but somebody living in Kenora who comes by train takes 27 hours. The cost of a telephone message between Kenora and Toronto would be \$5 to \$10 or \$15.

This service is now provided by the northern affairs offices at no cost to the individual. In fact, your party advocated direct lines with Queen's Park at the last provincial election. Am I right?

**Mr. D. Jackson:** We do.

**Mr. R. K. McNeil (Elgin):** More red tape.

**Hon. Mr. Bernier:** Certainly. I mean, this is something that we are providing now, maybe a little different concept, but basically the idea is the same—for the individual to go to the local level and obtain information, not only within the region but from the central government agency here in Toronto.

I really cannot see the setting up of any southern affairs officers—I mean it just does not make sense—where you have the density of population that you have here and distances are not involved at all.

**Mr. Stokes:** I rather suspect that is where he got the idea.

**Mr. D. Jackson:** The member from across the floor said, "more red tape." That is what bothers us in northern Ontario. We are fed

up with red tape and bureaucratic situations. We get more and more of that and less and less of communication.

**Hon. Mr. Bernier:** Are you against the northern affairs offices? Would you like the northern affairs offices in your riding removed?

**Mr. D. Jackson:** Let us put it this way: Let us make it work.

**Mr. M. Makarchuk (Brantford):** That is a regular refrain from the minister. Can you tell us something more intelligent than that?

**Mr. L. C. Henderson (Lambton):** Speak intelligently and he will tell you something intelligent.

**Hon. Mr. Bernier:** If you do not like it, there must be some constructive suggestions.

**Mr. D. Jackson:** When we spoke of direct lines to southern Ontario, we spoke of the telephone system that exists in southern Ontario. Why not extend that so that we can use it? If you were going to put offices into our ridings, why did you not make them part of our job? Let us face it, we are doing the same job.

They are involved in compensation. They are involved in social and family services; they are involved in the full spectrum of provincial services and so are we. Why set up a separate office for us? What it really was was a little more bureaucratic nonsense to say to us, "We are going to show you how it is done." The member is being pushed a little bit further back in the corner.

Sure, I accept the fact that they are doing a good job in their own right, but at the same time we could have done the same job if you had given us the services. And now you tell us, "Should we throw them out?"

You know damn well—and I say that in some anger—that is what we got from the minister before you, "Should we take them away?" We do not want them taken away because they do a service but we could have provided that service if you had given us the facilities to do it. That is what we wanted, and that is the basic lack of communication between us and the government. I am quite surprised—

**Mr. Henderson:** Mr. Chairman, these people have the same services that we, as the members for southern Ontario, have. If we want an office in our riding we supply the office.

**Mr. D. Jackson:** Well, then, you should start screaming a little bit.

**Mr. Martel:** Open your mouth for a change instead of sitting there like a lump.

**Mr. Henderson:** If we want an office in our riding we supply it and you have the same benefits as we have. Certainly you do. Any office I have in my riding I pay for.

**Mr. Jackson:** Then there is something wrong with the Tory members.

**Mr. Henderson:** This is what the hon. member is speaking about.

**Mr. Stokes:** We are not talking about that; we are talking about communications.

**Mr. Chairman:** A little order, gentlemen!

**Mr. Stokes:** I have got a riding of 150,000 square miles and there is no place in it that I can call from here on the government lines. Ask the member for Kenora—the minister—who happens to be from Kenora—

**Mr. Henderson:** I have the same situation.

**Mr. Stokes:** Have you got a riding of 150,000 square miles?

**Mr. Henderson:** It is no different in my riding.

**Mr. Martel:** What are you trying to hand us?

**Mr. Henderson:** I have no government lines—what are you complaining about? We are all in the same boat.

**Mr. D. Jackson:** Mr. Chairman, my basic point is that you fail to communicate with us in northern Ontario.

Interjections by hon. members.

**Mr. Henderson:** You have a credit card, the same as the rest of us to take care of your calls. You have nothing more to complain about than the rest of us. You are getting the same benefits as southern Ontario.

**Mr. Martel:** How do your people get to you?

**Mr. D. Jackson:** All those northern conferences have gone right over your head and continue to go over your head. You are not going to solve our problems by giving us northern affairs offices. When you solve our welfare problems, why do you not solve the problem of no jobs? Then we will not have welfare. That is what we want.



You can take away your northern affairs officers then, because we will not need them, but at least give us the means of solving our own problems. You have not done that. You have just given us a little bit more bureaucratic red tape. Even though they are doing a good job in their own right, they are not solving the basic problems which exist in northern Ontario.

**Mr. Chairman:** Mr. Stokes.

**Mr. Stokes:** I want to put in a plug for the two northern affairs officers in my riding. We have Floyd Hamden of Geraldton and John Scott of Marathon. I enjoy a very good relationship with them and they perform a very useful service to the extent that they are able to under the circumstances.

Speaking specifically of the office at Geraldton, it is located at such a place that the average person who needs assistance is not going to walk about two miles down the road to get it. That, in fact, is what he has to do. A good many of them have problems of welfare, of housing; problems that elderly people normally have, of old age security. I am wondering why the location at Geraldton was chosen at all.

**Mr. D. P. Douglass (Deputy Minister):** I understand, Mr. Stokes, it was the only place available at that time, but as soon as our lease runs out, we will be moving into town this fall.

**Mr. Stokes:** I would hope so because the chap there has come under a lot of undue criticism because the office is not accessible. As I say, most of the people who would avail themselves of those services just give up. They say, "If I have to walk two miles down the road to get it and two miles back, I might as well forget about it."

They have bent over backwards to keep me advised of a lot of the problems that come through their office. In many cases, they suspect that particular problem has been before the members so they phone to ask me, "Have you had this problem before and what have you done about it? What is the situation with regard to this problem?"

Of course, I try to assist them so they are not covering the same ground. I think there is a lot of room for greater co-operation between the northern affairs officer and the sitting member. I do not feel that my position is compromised in any way as the result of those northern affairs officers moving into the two locations that they are at in my riding. However, in looking over the little

pamphlet that Mr. Scott circulated last night, particularly on the satellite offices, I notice that of the 17 satellite offices in north-western Ontario, 11 of them happen to be in my riding.

Now, I was a little bit dismayed to learn that there were satellite offices in Beardmore and Central Patricia. I knew about the one in Manitouwadge. I did not know about the one in Nakina. I did not know about the one in Nipigon. I did not know about the one in Red Rock, nor Savant Lake, nor Shebandowan, nor Terrace Bay nor Upsala.

So that of the 17 satellite offices in all of northwestern Ontario, 11 of them are in my riding and it is safe to say that I did not know about eight or nine of them. The thing is, if there is going to be any degree of co-operation, if somebody said to me, "You have a satellite office in Upsala or Savant Lake," I would say, "No, I am sorry, we have not. You would have to use a direct line to Thunder Bay or some place such as that, or to Ignace." I am going to have egg all over my face.

I happen to represent those people. They sent me down here and I should be kept informed about what is going on in my riding. Now, you have failed to do this. As I say, I do not object to any of these offices. There is enough work for me to do and anything of a routine nature that you people can do to assist them, knowing what government programmes are available to them, any information you can pass on to them, fine and dandy.

But I want to be kept informed about what is going on in my riding. That is my responsibility to know what is going on in my riding. And if you people do not inform me, as I say, communication has broken down right there and the purpose of this whole exercise is adequate and efficient communication.

If you do not keep the sitting member advised you are not doing your job. I suspect that is what happened in this case.

To go a little bit further and to develop a little bit more what the member for Nipissing said, I am not particularly interested in the kind of problems that you get insofar as I should be kept informed of every one of them. Obviously this is not possible. It seems to me that when I handle problems of people in my riding on a personal basis, I come to certain conclusions as a result of having worked on these problems, say, for the last 3½ years.



I think every member here would say that a good portion of his time is devoted to solving Workmen's Compensation problems. I know that from my own experience; I have handled some, dating back to 1961-1962. It was obvious that they were not given the kind of attention they needed at that time so they had to wait until somebody went away back into the archives and dug up the summary of evidence before we were able to make a case before the Workmen's Compensation Board, even under the present setup.

What I want to know is, as a result of the circulation of these various problems to the various ministers and departments, has it not occurred to you that there is a deficiency insofar as the application of The Workmen's Compensation Act is concerned? How often does one have to be hit over the head to realize that there is something wrong, an inadequacy, in the administration of that Act, or the Act as it presently stands?

It does not solve problems. You know, you get a fellow who has a lower back injury. I would say that 75 per cent of the cases that we handle are as a result of a lower back injury that ultimately results in an arthritic condition in joint and—

**Mr. Martel:** A functional overlay.

**Mr. Stokes:**—a functional overlay as a result of this. The fellow is forced to seek his own light duty which is almost non-existent. I am wondering if, as a result of the feedback that you are getting to these problems, it has not occurred to you or your colleagues that you should change the existing programmes?

I think that the northern affairs officers—I am not speaking for them—have come to the conclusion that there are some programmes in existence in the Province of Ontario today that are not meeting the needs of people. When you say that a family of 12 people is going to be living on a pension of \$57 a month—and I have one in my riding right at the present time—obviously there is something deficient in that programme.

I am wondering, as a result of this feedback, what representations are being made on behalf of the people in northwestern Ontario, because that is the only place where you are getting this kind of feedback? What have you done or what have your colleagues done to upgrade some of these programmes that sitting members and northern affairs officers are having to deal with at the present time?

**Hon. Mr. Bernier:** If I may just answer those questions in the order that you asked them. In regard to the Geraldton situation, as Mr. Scott has already pointed out, the lease expires in September of this year and a new location has already been located. They will be moving into the new location at a more accessible point.

With regard to the notice of setting up of new offices and satellite offices, I think I can assure the member that from here on in, all members will be notified when there is a setting up of a satellite office or maybe even a change in an office, so you are aware who the officer is or who the satellite officer is in your particular area. I think we owe you this courtesy and we will certainly make sure this is done.

With regard to the feedback to the various ministers, of course, this is up to themselves. I cannot answer for all the 23 ministers and I suggest that you take this matter up with the various ministers as their estimates come up.

**Mr. Martel:** Do you make recommendations?

**Hon. Mr. Bernier:** No; I do not make any recommendations, not at all.

**Mr. Stokes:** I think this is the purpose of the whole exercise. We want effective communication. We should learn something from our experiences. We do not set up a programme that is worth about \$1 million a year and, then, ask why should we make use of the information that we have garnered from this exercise. It is quite obvious to me that there are many, many programmes—I just use Workmen's Compensation—

**Mr. Martel:** It is the worst.

**Mr. Stokes:** —as a case in point. But obviously there are a good many problems that keep recurring as a result of the inadequacy of the present programme. Do you not feel that, as a member from the north and as a member of cabinet, certain things occur to you from time to time that there is a deficiency? I am wondering if you will make the commitment to analyse the type of problems you are getting. Obviously it would be folly for you to say, "Give me every problem and I will run down them and see what the nature of the specific problem is and, as a result of that, I will make representation to 23 cabinet ministers." I think possibly this is the function of Mr. Scott and his

staff to analyse the problems and say, obviously, there is a deficiency in this particular programme and let us see if we cannot do something about it.

**Hon. Mr. Bernier:** Your point is very well taken. As I pointed out earlier the information is fed to liaison officers in specific departments. Of course, it is their responsibility, I believe at this time, to make it known to that department where there is a programme that is really not functioning to the best advantages of the people of northern Ontario. But certainly I will look into your suggestion. I think it is an excellent one, and I certainly will look into it.

**Mr. Makarchuk:** Mr. Chairman.

**Mr. Chairman:** Mr. Farquhar is next if Mr. Stokes has finished.

**Mr. S. Farquhar (Algoma-Manitoulin):** I have changed my mind a little bit what about I wanted to say. I want to follow along what Mr. Stokes has said about Workmen's Compensation. This was dealt with last night, but there is one little basic point I do not think that we can ignore in connection with Workmen's Compensation cases. The mischievous or the ordinary case anybody can handle—the kind of case that just simply calls for liaison and says, "Okay, get at it gentlemen," and sets up a further application for a hearing or a little additional benefit. That is fine. But we do find that a lot of people are pushing an awful lot of paper over the same thing. That is the one thing that bothers me.

The tough one, the borderline ones, the back injuries, the kind of things that come out of the mining areas in the north, those things are never settled unless the member is prepared to go to Harbour Street, personally, and use the so-called prestige of his office to ramrod these things through.

I do not think that can be handled by northern affairs officers; so it really amounts to a paper-pushing thing and the same paper is developed for too many different people because those tough ones are not settled in any way except by a final representation by the member at 90 Harbour Street to see it is properly convened, to establish communication in cases where there is a language barrier and that kind of thing. The member has to arrange to sit in; the tough ones are never cleared any other way. That is the way they are done, and nobody but the member can do that.

Lots of claimants decide they want to sue the compensation board and they hire solicitors and all this kind of thing. It has become very evident that this is an exercise that is no good; you find those things just cost the claimant a lot of money and finally are not settled that way. They are settled by the member taking an active interest and going right to the board with these things and holding their claimant's hand all the way through. There is no way a northern affairs officer can do that. Do you agree? It would not be a function of the northern affairs officer to go that far in the handling of a case?

**Mr. Scott:** I would agree they are not ombudsmen and you are an ombudsman in that case.

**Mr. Farquhar:** Right. Just to recap on what was said last night, as far as I am concerned in my riding, we have worked out a working relationship. There is no question about it; I know all these fellows and they are good fellows. I would not be here to take a swipe at a civil servant anyway, but they are really limited in one sense and they are providing duplication in another sense, and I think the instinct is to just speculate a little bit now.

On provincial programmes, especially when I am down here, I appreciate what they do. There is access for my people when I am down here, when I am not easily accessible during the winter months and when the session is on. So it just works fine. We have had to take each one of them and work it out on an individual basis. I make my files available to them; they contact me. It is a shared arrangement that does work all right, but I wonder if the same thing could be expected to apply to federal members. I just kind of wonder how a federal member feels when a northern affairs officer moves into a federal programme. I have the feeling that a federal member would say, "Look, what the hell are you doing in here?"

**Hon. Mr. Bernier:** Well, as I—

**Mr. Farquhar:** I might just throw that in as something to chew on a little bit, because I think it is possible that you would get clashes of personality in any area, and when you get an elected member versus a civil servant you are bound to get into trouble. I think individual provincial members in northern Ontario, like ourselves, have worked it out.



We wanted attention directed to the north and we are certainly not going to say the offices should be closed. We are going to bring to your attention the kind of difficulties and duplications that are resulting and the obvious matter of how a federal member reacts when a federal constituency matter is moved around behind him.

I am not suggesting that they do feel that way. In fact it happens that the federal member in my area works with the northern affairs officer; however, I just wonder whether that can be expected to apply in all areas.

I had hoped when the offices were established that they would have a different function and liaison. Liaison is all right as far as it goes, but supposing I had a secretary in my office, say, in Elliot Lake and the contacts came to her; with the so-called weight of my prestige or my position as an elected person behind her, you must realize the kind of contacts she would make.

There is no question that the first thing you would do would be to avoid duplication. Everything would go through one office and everybody—at least the elected member—would know exactly what was going on, and at the right time and the right place could develop the pressure that is necessary and use his contacts to clear the matter. That is one thing.

The other thing is that one of the crying needs in northern Ontario is communication—and we will say that to a degree it has been cured with these offices. The other trying need is development. If those officers' responsibilities and authority could be oriented to development and to working with the member in areas of development, any kind of development—I do not think they have that authority, you know; it certainly is not spelled out if they have it—but that office could have a function if it was a focal point for everything having to do with development in the north. I would go for it personally, but it just does not have that function.

I am talking about initiating things having to do with development—not behind the member's back but in conjunction with the member. I think it could have a function then. Really, there are no shortages of phones and there are no shortages of typewriters, and that is the function that is being provided. I toss that in for your consideration.

**Hon. Mr. Bernier:** Let me reply to that, Mr. Chairman. First of all, about working with federal members: I can only speak for

my particular area and the federal member. John Reid is our federal member and he works very closely with the northern affairs officers. In fact, he has gone to them and suggested that he even set up appointments when he is coming in. He will call them on the phone and there will be inquiries to our northern affairs officer as to when the federal member is coming in, and he will arrange to be in here from 2 to 6 or something. This is the kind of service and it is a good liaison. I would hope that would continue and be the same for all federal members.

**Mr. Farquhar:** Perhaps it does, but there are federal members and there are federal members.

**Hon. Mr. Bernier:** The same as there are provincial members and there are provincial members—it is the same thing. But your points are very well taken and, as I pointed out at the introduction of this vote, northern affairs is a new venture, and certainly I do not think we are into any particular programme. I appreciate your suggestions and they certainly will be closely considered—they really will be.

**Mr. Makarchuk:** Mr. Chairman, am I next on your list?

**Mr. Chairman:** No, Mr. Rollins is next and then Mr. Makarchuk and then Mr. Martel.

**Mr. C. T. Rollins (Hastings):** Mr. Chairman, reference was made to southeastern Ontario and procedures a few moments ago. I would like to say now that in southeastern Ontario we have a form of municipal government and county government by capable elected representatives. As a representative of a riding in southeastern Ontario, we handle our problems very capably and very satisfactorily in the majority of cases, and the ones which are sticky are easily worked out with the departments concerned.

And we do not cover the whole ball field when we have a problem, we try to go to the department with the thought in mind of looking after the people who elected the municipal councils and county councils. We do not need a type or a form of what might be a resemblance of regional government at the present time in the area I represent.

**Mr. Stokes:** Inherent in those comments the member said that the members there were quite capable of looking after it. Is he suggesting that the people from the north are not capable of looking after them?



**Mr. Rollins:** I did not say that. You said it.

**Mr. Makarchuk:** If I may continue to take my turn, I presume. I am glad to hear that the member from southeast Ontario is feeling that way, because obviously if you look at the statistics in that area you find that the lowest per capita income is in southeastern Ontario. The highest unemployment is also in southeastern Ontario. The infant mortality rate is also the highest in southeastern Ontario.

**Mr. P. J. Yakabuski (Renfrew South):** We are talking about northern affairs.

**Mr. Makarchuk:** If he considers that as a job well done, Mr. Chairman—

**Mr. Rollins:** Mr. Chairman, on a point of order, I am talking about the representatives elected by the people of the municipalities and of the counties in southeastern Ontario.

**Mr. Makarchuk:** That is no point of order, Mr. Chairman. If he considers that as doing an excellent job or a good job then I suggest the member examine his thinking, to put it mildly.

**Mr. Chairman:** I think what the member suggested is that there is a different type of government established in the east and south-east—

**Mr. Makarchuk:** I see. It has no relationship to Queen's Park, is that what you are implying?

**Mr. Chairman:** No, I did not say that.

**Mr. Makarchuk:** Well, we are discussing the government of Ontario here, and—

**Mr. Chairman:** We are discussing the northern affairs programme.

**Mr. Makarchuk:** —it also applies in southeastern Ontario. I was just commenting on the member's statement.

I am wondering about your Department of Northern Affairs, why you called it The Department of Northern Affairs, because it really does not handle anything that is just peculiar to the north. Why do you not just call it the Northern Communications department, or something of that nature, because what you are really doing is you are bringing the government closer to the people, which is a commendable idea.

I think every member on this side will agree that the government should be very

close to the people, that the people should have easy access to the various departments of government, and that is one of the functions. That is not just a problem in northern Ontario, it is a problem in all other parts of Ontario, and in some cases the members have to perform the function and in other cases there is better telephone service and so on. So from that point of view it does a good job or a reasonable job, and I am glad the government has moved into that direction.

It certainly was not the intent when the department was set up—and this was pointed out by the hon. member for Sudbury East—that it was going to do a great deal more for the north in terms of providing the kind of economic planning, the jobs and the other necessary infrastructure to bring about a better life in the north. In that area it has failed miserably, as the government has failed miserably all across the province in that respect.

**Mr. Rollins:** A negative approach.

**Mr. Makarchuk:** The member from over there cannot see the reality. You have over 200,000 unemployed in the province and he assumes that this is a commendable thing.

**Mr. Yakabuski:** How many in the country and how many on the continent are unemployed?

**Mr. Makarchuk:** There are 700,000 unemployed on the continent and over 200,000 in the province.

**Mr. Yakabuski:** How many in Canada? How many on the North American continent? How many in western Europe?

**Mr. Makarchuk:** If the hon. member wishes those figures he should find out that over in western Europe they have an overemployment problem. They have too few workers for the jobs available.

**Mr. Yakabuski:** That is not general in western Europe. In certain countries—in western Germany maybe. Be fair.

**Mr. Makarchuk:** One of the reasons for that is they have governments there which are involved in the planning of the economy.

**Mr. Chairman:** Order!

**Mr. Makarchuk:** This is something that the hon. member over there should get through his skull and start realizing the fact.

**Mr. Chairman:** Order! Back to the vote on northern affairs.

**Mr. Yakubuski:** Enough of your nonsense and twisted facts.

**Mr. Martel:** Do you want to use a sledgehammer?

**Mr. Makarchuk:** This is what we are getting back to here—that the department was created with the purpose of creating those kinds of jobs, that kind of growth and development in northern Ontario. It is not doing that right now. The minister did come through with a great statement. The Prime Minister (Mr. Davis) did come through with very bold, brave statements along these lines and then they failed miserably.

You have got a nice communications system which is commendable, as I said earlier. It brings the citizen closer to the government but it is also necessary in other areas and perhaps this should be expanded. Not perhaps; it should be, I feel, expanded, so a citizen in every community in Ontario can get to the government, or get to the government department with which he has a problem over which he is concerned, and on which he, in some cases or in many cases, does not have to have a member to go and plead his cause for him.

Certain citizens will receive favours, other citizens will not receive favours because they have no access to a member, or the member is away or something of this nature.

The point is, and the minister stated it himself earlier, that he does not hold any discussions with the other departments of government—the Treasury department, the planning department in Treasury—that they really do not know where they are going; that there is no plan for northern Ontario or northeastern Ontario in terms of growth and in terms of development. If they look at the whole government programme now, either in Trade and Development or the Treasury programme, or the budget or the Throne Speech, there is absolutely nothing really being done to get to the basic problems that are faced by the people, not only in northern Ontario—perhaps they are more of a problem in northern Ontario than in other parts of the province—but the point is that you are not doing the job.

What you have got is a panic reaction. In the first place, the government realizes it is going to lose northern Ontario and it will lose all of Ontario. This is a token measure, a sop to the people to try to prove

to them how concerned the government is. The point is you are really not going to delude the people up there. Their minds are made up. They have had enough. They have lived under these conditions. They have waited for a long time and you have failed them miserably. Your Northern Affairs department is just another example of the miserable way you operate the province.

**Mr. Chairman:** Mr. Martel.

**Hon. Mr. Bernier:** Mr. Chairman, I just might say that the member's comments are not worthy of any further comment from me.

**Mr. Martel:** If you think my colleague is wrong, Mr. Chairman, I want to read an article—

**Mr. D. Jackson:** It would be nice if you could—

**Mr. Martel:** —a statement by your predecessor with respect to the northern offices, to see whether my colleague is right in his assessment of what the original intention was at least of the former minister:

This was the reason behind the opening of the northern affairs offices by my department throughout northern Ontario. The problems and needs of the north will not be met, let alone understood, by a bunch of bureaucrats in Toronto.

**An hon. member:** Who is that?

**Mr. Martel:** Allan "White Knight" Lawrence of Ontario, made that statement. Now talk on that one boys, because he said exactly what my colleague has just finished saying. The problems are there and there has been no development of northern Ontario and—

**Mr. Yakubuski:** Not exactly. You said "exactly."

**Mr. Martel:** —my colleague just put it in a finer—

**Mr. Yakubuski:** That is misleading.

**Mr. Martel:** It is not misleading.

**Mr. Yakubuski:** Sure it is. You know it.

Interjections by hon. members.

**Mr. Yakubuski:** You are saying exactly what your colleague said.

**Mr. Martel:** My colleague paraphrased him better than he had originally stated it. This is from the former minister on how you are going to develop northern Ontario. You have



advocated that. You yourself have indicated it becomes a communication branch, and that being the case, with all the shifting again, you should lose this department, Mr. Minister.

**Hon. Mr. Bernier:** It is very clearly there, it is very clearly set—

**Mr. Martel:** He was the minister then. You have changed the ground rules. You have changed the ground rules. Because this was the game while the “White Knight” was looking for the leadership. Of course, he made all kinds of promises of what he was going to do for northern Ontario. But in the shifting that is going on again, Mr. Minister, this communication office should be part of the new Department of Transportation and Communications if this is communication only. It is not even in the right branch of government.

That being the case, unless you give it another function you are going to lose the department because it can only quite naturally go into Transportation and Communications. Now you have got the choice. You either lose another hunk—you have already lost the Ontario Northland, that was another part of the promise if you will recall. It was going to be used. The “White Knight” was going to open a rail line from Parry Sound to North Bay, for the ONR. He had great promises, and he was going to buy up another track bed that was not being utilized to develop the north, through the aid of this department. You know as well as I do he went around the province, particularly in northern Ontario, making these statements.

**Mr. Henderson:** You are interested?

**Mr. Martel:** Sure I am interested in the development of northern Ontario. That is what I am here for. I am interested in the co-ordinated development of northern Ontario. And all what this guy did was build up a lot of hopes of people in northern Ontario that finally the government was going to do something to develop northern Ontario, and you yourself have indicated that the department was never created for that. I hope somebody gets the message across to the people of northern Ontario.

What we were saying, and we were chided for it at the time, was that that was a lot of foofaraw, the development, and said we were being pessimistic, and we claimed it was just window-dressing and that is all it is. Because again, like most other programmes—and I am not knocking the part that the officers themselves play, Mr. Minister, not at

all. We work well with Mr. MacDougal in our area and the other people. I am not knocking those people at all, I am knocking what this man did to the aspirations of the people of northern Ontario. He misled them from the word go.

**Mr. Yakabuski:** Where did I hear that word “misled”?

**Mr. Martel:** If you do not like it, leave.

**Mr. Makarchuk:** We would not miss you.

**Mr. Yakabuski:** I know you would not.

**Mr. Martel:** He misled the people from the word go. So I hope someone puts across the message to the people of northern Ontario they have been misled yet another time. That seems to be the fallacy, the name of the game. Well it is not going to work any more, and the minister knows it. The minister is right about one point, the phone messages the people cannot get directly to their member. Now, what are you going to do about that, Mr. Minister?

You know as well as I do and you are political enough—you have indicated to me in private discussions—you are political enough to want the people who want to be able to contact you to contact you. And it is not possible 1,200 miles away, now is it? Even the “White Knight” knew that, because I quote what he said, about “a feeling that there was a remoteness from Queen’s Park and from the members of the Legislature.” That is what he said when he introduced the bill, that the people felt the remoteness from Queen’s Park and from their representative that they elected, regardless of what party and in what riding.

What are you going to do with respect to that particular problem which you yourself admitted this morning, which your predecessor admitted as being one of the main problems with respect to communication? I am going to go on but I am just waiting for you. There is no use just talking to the wall.

What are you going to do? You mentioned the problem yourself about phone messages that cannot get to the member. You yourself said this a few moments ago. You still have not resolved that problem.

**Hon. Mr. Bernier:** We will.

**Mr. Martel:** Well, hopefully.

**Hon. Mr. Bernier:** We have the answer right now.



**Mr. Martel:** Good, I am delighted to hear it. The other problem—I think Mr. Farquhar has mentioned it, and certainly my colleague from Thunder Bay has—is that your people can only carry the cases so far. They cannot get political in the sense of driving home the point with any particular department. And that is the type of case where somehow there has to be a working relationship, a closer understanding between the members and your offices, because they can provide information for people, they can put a wire on the Telex to find out why some man's claim has not been processed in compensation, or where it is lost in the shuffle, but he cannot pursue it any further, and there has to be some kind of working relationship in that.

I think the main problem—and it does not apply only for us—contrary to what the member for Hastings or the member for Lambton have said, I think every member in this province should have a secretary in his riding. I just think that every member is entitled to that, so that when he is down here his people can phone his home and his wife does not become the answering service for the government, but they can phone and the secretary can get them an immediate contact with the member, because the secretary at home would know where he is.

That is the type of communication that is really lacking between members and their constituents. No matter how hard you try, it is impossible when you have been here all week, unless your wife was answering the phone until 11 o'clock at night, and it is not fair.

**Mr. Henderson:** Mr. Chairman, what does the member think he is elected for? I hope I represent the people who elect me, and I would hope that you would try to represent yours.

**Mr. Martel:** What kind of stupidity is that?

**Mr. Henderson:** I would just hope that you would try to represent yours, because I do represent mine, and that is what I am elected for.

**Mr. Martel:** Where do you come from?

**Mr. Henderson:** I do not want anybody in an office back in my riding running my riding.

**Mr. Martel:** I am talking about a secretary provided—

**Mr. Stokes:** Do you disagree with this programme?

**Mr. Henderson:** I do not disagree with this programme but I do disagree with somebody running an office in my riding.

**Mr. Martel:** I am not talking about somebody running an office, I am suggesting that the government should provide—

**Mr. Henderson:** This is what you are suggesting.

**Mr. Martel:** —a secretary for you in your office.

**Mr. Henderson:** You are suggesting that you should have a secretary in your office back in your riding?

**Mr. Martel:** If you cannot understand English, get out. I am not interested in talking to you.

**Mr. Henderson:** Again, I say, if you need a secretary, supply it.

**Mr. Martel:** You know, I am sure the minister would agree that he could use—as the Quebec government has provided for its members—a secretary for him in his office back home, paid for by the government so that the people have direct communication with their member available at all times. I am sure the minister would agree that that is vital in establishing the proper type of communication. When a person phones your office and you are not there on a Monday—

**Hon. Mr. Bernier:** I have one already.

**Mr. Martel:** You have one? Well you have to be fortunate.

**Hon. Mr. Bernier:** My good wife, Marjorie.

**Mr. Martel:** Well, my wife does a good deal of it but with three little kids and one coming it makes it extremely difficult, Mr. Minister, for someone to be always answering the telephone when you are doing washing and so on. I just think that the Quebec government had the foresight to provide members with a secretary—or with the funds to hire a secretary—who could at least start the ball rolling on some of the cases on welfare.

You know, when a person phones you on Monday for welfare and you are not there, and you have to wait until you get back on Friday to start working on it and the government offices are closed on Saturday, you must admit it is a communication problem, a very serious communication problem, affecting the immediate needs of somebody who is having a problem, and you cannot just

brush that aside, it is real. If those members over there do not want one, all they have to do is opt out of having a secretary paid for by the government.

**Mr. Makarchuk:** They have opted out of everything else.

**Mr. Martel:** No, you could opt out. I am sure the member for Parry Sound (Mr. A. Johnston), coming from a large northern riding, could have used a secretary in his riding without any objections. Anybody with a little foresight would want that to ensure the people have constant contact with Queen's Park through an office in the area. If Mr. Henderson thinks that—

**Mr. Henderson:** You want to have your cheese and eat it too.

**Mr. Martel:** What century were you born in, the 18th?

**Mr. Henderson:** The right century.

**Mr. Martel:** It must have been the 18th. To be right it would be the 18th.

**Mr. Henderson:** I represent the people who elected me. You apparently do not want to represent the people who elected you.

**Mr. Makarchuk:** He has been regressing.

**Mr. Martel:** You know, you just come right out of the dark ages, do you not?

**Mr. Henderson:** You want to have the cheese and eat it too.

**Mr. Martel:** He comes from the dark ages, does he not? In fact it is pathetic. He does not come from the north.

**Mr. Henderson:** I am sure the people will remember your statement sometime.

**Mr. Martel:** I am sure they will, because we try to provide a service for them.

Well, Mr. Minister, as I say, whether you have got the original intent, it might be what is written on paper. The former minister did not make it appear that way. He has deluded the people of northern Ontario once again.

The other points I make, you say you will have answers for—how they can get to us directly. I would hope there would be some form, as all members on this side have indicated, where we have to pursue it to the final or the bitter end, taking it before the whole board—and that is just one type

of example. I hope some method can be reached wherein these matters could be worked out because your people just cannot carry them that far.

**Hon. Mr. Bernier:** There has been a lot of repetition; that has been said before, Mr. Chairman.

I would just like to make one brief comment in that the Telex service that we have from the 25 Northern Affairs offices is, of course, available to the members. If somebody goes into that office at North Bay, or in Sault Ste. Marie, or in Geraldton and wants to get hold of that member then we will accept that message and make sure that that message is delivered to their office as quickly as possible.

**Mr. Martel:** Would you make that known to the people?

**Hon. Mr. Bernier:** I certainly will.

**Mr. Martel:** I do not mean just to your officers, I mean some kind of indication to the general populace of northern Ontario that this is the way that they can immediately get in touch with their members.

**Mr. Stokes:** Pardon me, let me follow that up. You said that the Telex service was available to the member?

**Hon. Mr. Bernier:** Yes. If somebody was coming into Geraldton and wanted to get a message to the member for Thunder Bay immediately, then there is no reason in the world why that message could not be put on the Telex system and sent down here. We have a central receiving depot here—Mr. Scott has—and that message would be immediately brought to the member's office.

**Mr. Stokes:** Say if I had a message that I wanted to relay to the Geraldton town council on something on which I had been working with the OMB.

**Hon. Mr. Bernier:** Right.

**Mr. Stokes:** I could get in touch with somebody here and, say, relay this message to Geraldton?

**Hon. Mr. Bernier:** Right, exactly right. It would go to the northern affairs officer there in Telex form.

**Mr. Stokes:** Why are we not told of these things?

**Hon. Mr. Bernier:** I am telling you now. I have not previously had the opportunity.

**Mr. Stokes:** Did it just start now?

**Hon. Mr. Bernier:** No, this has been available all the time.

**Mr. Scott:** We have been doing this for some of the northern members. Not very often, but we have done it.

**Hon. Mr. Bernier:** Sure.

**Mr. Stokes:** But it is available. You will let me know the logistics of the thing, eh?

**Mr. Scott:** That is right, through our office here.

**Hon. Mr. Bernier:** Of course, you have telephone communications if you want to telephone yourself. There is no cost to the members.

**Mr. Yakabuski:** Tremendous service.

**Mr. Stokes:** Say I have to use a credit card, it is a lot cheaper if I use an existing service is it not?

**Hon. Mr. Bernier:** Right, exactly right. It may be a long statement you wish to send up in a printed form.

**Mr. Stokes:** Yes.

**Hon. Mr. Bernier:** We will be glad to do that service for the northern members.

**Mr. Makarchuk:** Just a question on that. Is your Telex leased on a message basis or on a monthly basis?

**Hon. Mr. Bernier:** I think it is on a monthly basis.

**Mr. Scott:** There is rental and time. It is something like long distance telephone only it is amazingly cheaper than that.

**Mr. Makarchuk:** Yes, I realize that, but the more messages there are, the more the charges will have to go up.

**Mr. Scott:** No, I think it is—

**Mr. Makarchuk:** Because ordinarily commercial Telex works on a monthly rental, plus so much per message.

**Mr. J. A. Queen (Programme Analyst):** It is on a meter basis; you are charged on an on-line basis.

**Mr. Makarchuk:** An on-line basis and that is it. It does not matter how much you use it?

**Mr. Queen:** Pardon?

**Mr. Makarchuk:** It does not matter how much you use it?

**Mr. Queen:** No, you have the basic rental charge plus a meter charge for the on-line time required to transmit the message.

**Mr. Makarchuk:** Per message?

**Mr. Queen:** On-line time for each message.

**Mr. Chairman:** Have you finished, Mr. Martel?

**Mr. Martel:** Yes, I have.

**Mr. Chairman:** Mr. Jackson.

**Mr. D. Jackson:** I just wanted to make a couple of points. First of all, when the former Minister of Mines announced the new northern affairs office was actually going to be a northern development office. The first announcement was that the name of the department would be changed to The Department of Mines and Northern Development. They changed that, and it went to Northern Affairs.

**Hon. Mr. Bernier:** I thought this was just an assumption on the part of some members, but the—

**Mr. D. Jackson:** No, it was actually announced.

**Hon. Mr. Bernier:** It was my understanding that the assumption by some members was Northern Development and the minister had to clarify it on a number of occasions that it was Northern Affairs. I may be wrong on that aspect but if memory—

**Mr. Yakabuski:** What does the research of the member for Sudbury East say on that?

**Mr. Martel:** He is always right. He is never wrong.

**Mr. D. Jackson:** The point was that we felt that you would be involved in development. Then, when the Northern Ontario Development Corporation came into being, one of the questions I asked in the House was whether or not there was going to be a new constitution for that department—whether there would be regulations specifically for that department. I was told no, they would be operating under the Ontario Development Corporation and they would follow through with the same regulations and the same constitution.

The point that I would like to make right now is that while we are talking about development in northern Ontario and that Northern



Affairs should be concerned with it, all of the loans are aimed at secondary manufacturing. The government at the same time—

**Hon. Mr. Bernier:** If I may interrupt, this is not in this vote at all, Mr. Chairman. The Northern Ontario Development Corporation is with Trade and Development. It has nothing to do with this vote at all.

**Mr. D. Jackson:** What I am saying to you is—

**Hon. Mr. Bernier:** It is completely out of order.

**Mr. D. Jackson:** Let us get back to the point. What is Northern Affairs set up for? In the beginning we were told it was going to assist us in developing northern Ontario, and it has failed to do that—failed miserably. Okay, you say and Allan Lawrence says it was not set up to do that. We were led to believe that it was. They are just not involved; we need communication, but you are not giving it to us.

We want you to become involved in the development of northern Ontario. We want the department to do more than it is doing. Surely, if the minister is really interested in doing what he says in his press clippings, then he is going to have to change The Department of Northern Affairs so that it will get involved. That is my point basically.

**Mr. Makarchuk:** Again we are trying to elicit information; we have got two commitments since the estimates started and I wonder if we can net number three. Are you planning to change the concept of the Northern Affairs department from just being a messenger service to being a development agency, an economic planning agency or some kind of co-ordinating agency? Are you going to work on that basis? Or are you just going to leave it as it is or as you have outlined in that little green sheet that you handed around?

**Hon. Mr. Bernier:** Are you finished?

**Mr. Makarchuk:** I did not hear you.

**Hon. Mr. Bernier:** Are you finished?

**Mr. Makarchuk:** Yes, for the time being, Mr. Minister.

**Hon. Mr. Bernier:** For the time being? Well, I might point out it is a branch of this department, it is not a department itself, northern affairs. And at this particular point in time I must admit that we have only

been in operation since last September. Certainly all government programmes are under constant review. This is a known fact, as these things are in operation and as the programmes are viewed, and certainly this particular programme will be reviewed after we have had an opportunity to see it really perform the function which it has been set up to do.

**Mr. Makarchuk:** There is a certain amount of disagreement, as you have noticed—and perhaps they have not over there—as to what the original function of this department was and what the Tories see as its function and what we were led to believe its function is going to be.

**Hon. Mr. Bernier:** What you are trying to do—

**Mr. Makarchuk:** Obviously it has not—

**Mr. D. Jackson:** You read some of the statements made by Allan Lawrence prior to the setting up of the branch.

**Hon. Mr. Bernier:** If you read the Prime Minister's statement here, it is very clear.

**Mr. Makarchuk:** Obviously it has not fulfilled its original functions.

**Mr. D. Jackson:** Read some of the press clippings.

**Mr. Makarchuk:** It is just like the rest of the Tory foofaraw, if I may borrow the word from my friend. You create the headlines and you find that behind the headlines there is nothing; there is a great vacuum. The minister keeps telling us, as he has told us on everything else we have asked him—with the exception of the two commitments—that he is going to review the programme, "We are going to keep reviewing it."

Which way are you going to review it, and with what intent? What will be the focus of this review? Are you happy with it being just a messenger service or do you think it should be involved in some kind of economic co-ordination or planning for northern Ontario?

**Hon. Mr. Bernier:** This will be in the course of our review when we go over the whole operation of the department. We will re-assess our position then.

**Mr. Makarchuk:** What is your position now?

**Hon. Mr. Bernier:** At this time it is spelled out right here. The principal objectives of this particular department are spelled out here.

**Mr. Makarchuk:** We want to get this on the record, that at this time the only thing the Northern Affairs department does is run a reasonably effective messenger service. It provides a closer contact between the individual and the bureaucrats in Toronto, but in terms of providing those kinds of necessities for northern Ontario that are required in terms of jobs and of economic planning to attain the social goals desirable for the people in northern Ontario or anywhere else in Ontario for that matter, that department is doing absolutely nothing about it. Is that correct?

**Hon. Mr. Bernier:** I will just read you the principal objectives of this department—

**Mr. Makarchuk:** We have heard that; we have read the principles—

**Hon. Mr. Bernier:** That is right.

**Mr. Makarchuk:** In other words, you admit then that, as far as providing jobs or housing or ensuring the existence of communities, that department is doing absolutely nothing.

**Hon. Mr. Bernier:** We have got 23 other departments.

**Mr. D. Jackson:** They are all doing nothing also.

**Mr. Makarchuk:** Yes, but your Northern Affairs department is doing nothing about it. We will deal with the other departments because they are doing as much, which is nothing. We just want that on the record. That is all.

**Mr. Gaunt:** Mr. Chairman, I just wanted to make one or two observations and I do so, not in response to any personal knowledge, because, as you know, there is no northern affairs office in my area, but it seems to me that in some cases the member has a very good working liaison with the northern affairs office and that is good. I think if the member is smart, he would develop that and some, obviously, do. Then there are others where the degree of liaison is not quite so pronounced. The co-operation is not so good and in those cases, particularly, it seems to me that there is a tremendous duplication of services.

If, for instance, a member is working on a workmen's compensation case and progress

is being made, albeit it might be somewhat slow, as is the case in some of these, and the person who is having the problem eventually says to himself, "I do not think I am getting anywhere; I am going to the northern affairs officer," and the northern affairs officer then takes it from the beginning, not really knowing what the member has done previously, in that respect you have got duplication of time, effort, resources and what have you.

It may very well be that the member is just about rounding the bend, so to speak, in winding up the problem. It seems to me, under those circumstances particularly, it would be a good idea if the northern affairs officer in all cases contacted the member previously to see if in fact there was anything done on this particular problem up until that point. Once have established that, then he could move on and, if the member was already working on it, he could be given an up-to-date report and he could communicate that to the person involved and, if it were a case of joint effort, fine. If it was obvious that the member had the matter in hand, then the northern affairs officer would not need to do any more about it.

I am really getting to the point that I wanted to make. Would it be possible and would the minister give an undertaking, and I am sure all it would take would be a word from the minister or from Mr. Scott to the various northern development officers, that when they get a problem of this nature, involving really any government department, that the member be contacted initially to determine if, in fact, anything has been done on it, or if any contact has been made previously with that particular department?

In my view, that opens the whole thing up. It, first of all, determines if, in fact, anything has been done previously. Secondly, it really encourages the involvement of the member because, as the member for Sudbury East, or was it the member for Timiskaming, pointed out, many of these problems come down to the point where the member really has to move right in and push the matter pretty well, which the northern affairs officer is not in a position to do. So I think it could be a very effective two-way street if this could be done. I would like to hear what the minister says, because I think that would save a lot of time. It would involve the member because he likely has been involved before, or ultimately will become involved if it is a tough problem, and he might as well do it right in the start. Why not?



**Mr. Henderson:** Mr. Chairman, I would have to oppose this from my point of view. After all, I might be an NDP who does not want the Conservative member to know that I have a problem. Why should I know?

Interjections by hon. members.

**Mr. Henderson:** If they go to the office they often use obligation, and I think that is as far as the obligation goes.

**Mr. Martel:** Is he for real?

**Mr. Stokes:** Make sure they have that on the record.

**Mr. Henderson:** Absolutely; put that right on the record. I want it on the record in big, broad letters.

**Mr. Gaunt:** But you see that comes back. If my friend is serious about that—

**Mr. Martel:** You cannot be for real.

**Mr. Henderson:** I am certainly real.

**Mr. Gaunt:** —then he is suggesting that these offices are political offices and I do not—

**Mr. Henderson:** I am not suggesting it. I am suggesting they are non-political offices.

Interjections by hon. members.

**Mr. Chairman:** Order, gentlemen.

**Mr. Yakabuski:** Oh, never! Banish that thought from your mind.

**Mr. Gaunt:** That is what he is suggesting.

**Mr. Stokes:** All you did was confirm some of the suspicions.

**Mr. Chairman:** Order!

**Mr. Yakabuski:** Heaven forbid!

**Mr. Gaunt:** I hope that those offices will not be political offices.

**Mr. Yakabuski:** Oh, never! You can be sure of that.

**Mr. Gaunt:** Surely they are there to improve the communication between the people and their government? That being their function, I suggest that what I said, with deference to my friend, is valid.

**Hon. Mr. Bernier:** If I may comment briefly on it, gentlemen, I think we have got to realize that there are some 5,000 inquiries on average per month coming into these 25 offices. We hope that that will increase. I

cannot agree that in every case and every point that the member should be contacted—

**Mr. Stokes:** You said you hope there would be more problems, right?

**Hon. Mr. Bernier:** We hope the services of the department will be extended.

Interjections by hon. members.

**Hon. Mr. Bernier:** We hope the population will increase. Of course, as the population increases and with the growth in northern Ontario that we plan in the future, certainly these problems will always be there. What I am driving at is I do not think we can contact—I do not think I even could ask that the member be contacted on every specific point.

One thing that I am going to review is the aspect of the workmen's compensation problems. I think this is one area in which the member should be very close to the northern affairs officer. I will review this.

**Mr. Makarchuk:** You could start on the Workmen's Compensation Board. That is one that needs cleaning out.

**Mr. Chairman:** Mr. Gaunt has the floor.

**Mr. Gaunt:** Thank you, Mr. Chairman, I realize—

**Mr. Makarchuk:** A good house cleaning there would improve it.

**Mr. Gaunt:** You are quite right. Every problem that comes to the development officer's attention cannot be related to the member. For instance—

**Mr. Henderson:** That is more sensible. That is talking down the line.

**Mr. Gaunt:** For instance, if I as a northerner went in to the office and said, "I want to know if I move out to Saskatchewan if my hospitalization is going to be good for the next three months if anything happens to me out there," obviously you do not have to contact the member on that type of inquiry. I am really not talking about that.

I am talking about workmen's compensation, the problems involving social and family services, pension problems, overpayment problems, this kind of thing, where it involves just a little bit more than getting information. Where there is pursuit involved, if you know what I mean; that type of thing. That is really what I am talking about.



I think it would be helpful to the northern affairs officers and to the member and, most importantly, to the person who is having the problem, if this kind of liaison could be developed.

As I said, and I come back to it again, I think all that would be required is a word from the minister or a word from Mr. Scott to that effect, and I think that these northern affairs officers would do that. I think they would be glad to do that. I do not think there would be any problem at all in that area. I pose that to the minister in the hope that he will do that.

I want to come back to the point that I mentioned a while back. If these offices are allowed to become in any way political, they are dead.

**Mr. Henderson:** Mr. Chairman, I must interject here that once you start the office going to the member, they are going to become political. I think if the people want the problem to go to the member, they will take it to their member. I do not think that this office has any business taking it to the local member.

**Mr. Gaunt:** Well, I just—

**Mr. Stokes:** Would you like one in your riding?

**Mr. Henderson:** No. I will take care of my riding.

**Mr. Stokes:** That is what I thought.

**Mr. Chairman:** If Mr. Yakabuski has no objection, we will continue with Mr. Gaunt.

**Mr. Gaunt:** Mr. Chairman, I think I am communicating with the minister.

**Hon. Mr. Bernier:** Right. Yes, I get the message.

**Mr. Gaunt:** It seems to me that stripping the matter of its political connotations, you know, after all—

**Mr. Stokes:** The member for Lambton thinks this is political. He does not want one.

**Mr. Henderson:** No, I am quite capable of taking care of my riding.

**Hon. Mr. Bernier:** No, I will give you one.

**Mr. Gaunt:** The member is elected to look after the people, and if he is a good member he looks after all the people, no matter whether they are NDP, Tory, or Liberal. That

is what we are trying to do as members, if we are doing our job, and that is what the northern affairs officer should be doing, so that it is just a liaison and a system whereby the ultimate aim can most appropriately be met.

**Hon. Mr. Bernier:** I appreciate your comments.

**Mr. Chairman:** Mr. Yakabuski.

**Mr. Yakabuski:** Mr. Chairman, I have followed the discussions with regard to the northern affairs branch of The Department of Mines, with considerable interest.

**Mr. Makarchuk:** Even though you were not here.

**Mr. Yakabuski:** Last evening at, what, 9 or 9:30, when we began the estimates on vote 1305, and it would appear to me that in some cases—Before I say that, I should say that I feel that this branch, the northern affairs branch of The Department of Mines, in nine months, in the time it takes a child to be conceived and born, in that short time, has been tremendously successful.

**Mr. Makarchuk:** It has been a stillbirth. Admit it!

**Mr. Yakabuski:** You have 25 officers—

**Hon. Mr. Bernier:** That was a southern Ontario member who said that.

**Mr. Yakabuski:** —and offices in operation, and I think you are providing for the people of the northern part of Ontario a tremendous service that is unparalleled in the history of this province.

**Mr. Makarchuk:** Look at the minister's face.

**Mr. Yakabuski:** We who live south of the Mason-Dixon line, as some call it, the French River—

**Mr. D. Jackson:** Do not kid yourself. There is a Mason-Dixon line.

**Mr. Yakabuski:** We, in that central corridor of the province, are a bit nervous, because this is a great service. I can see from the number of inquiries—

**Mr. Stokes:** The member for Lambton does not think so.

**Mr. Yakabuski:** —that have built up in a month—

**Mr. Henderson:** He can take care of his own.

**Mr. Yakabuski:**—that what I said a moment ago on its success, there is no question about it. It has been so successful that the gentlemen on the other side of the House have seen fit to spend considerable time being quite vociferous about it. If it was a service that was giving you yourself, sir, some concern, I am sure they would have a lot less to say about it.

**Mr. Martel:** It does give the minister some concern.

**Mr. Yakabuski:** In fact, when the member says that behind those headlines, you know, there is a void, a great chasm—

**Mr. Makarchuk:** "Vacuum" is the word used. It relates to the content of Tory members' heads.

**Mr. Yakabuski:** Vacuum? All right, vacuum, I want to tell him that if he continues to kid himself about those headlines, he is in for a rude, rude awakening come June, 1972, sir.

**Mr. Stokes:** What is the significance of that date?

Interjections by hon. members.

**Mr. Yakabuski:** But anyway, sir—

**Mr. Makarchuk:** What was the Tory vote in Brant?

**Mr. Yakabuski:** I fail to see where the members opposite see no connection between your information officers in the north and the development of that great part of our province. I am sure that to a great degree they are forgetting about and bypassing the wonderful municipal officials you have in northern Ontario, and the community leaders.

I am sure there are many times, in your records—I do not have to ask for them or look at them, I know they will speak for themselves—but your records will point out where community leaders and municipal officials have come to these information offices and garnered information that will be very instrumental in the development in the north in the months and years to come.

No one can expect that this thing is going to take off like a jet and solve all the problems in the north in a short nine months. I heard someone say just the other day that it is tyranny to say that the complex problems of this society can be solved in a simple way.

But I can see that these information offices in the north are, and will be, providing an increasingly great service. I can see where that in the months and years to come they will have played a great part and will have been quite instrumental in bringing considerable development in the northern part of our province.

**Mr. Makarchuk:** The minister could not name one project.

**Mr. Yakabuski:** All right. It is very early. A lot of foundations are being built—

**Mr. Makarchuk:** After 28 years?

**Mr. Yakabuski:** A lot of groundwork is being done and I will tell you one thing, members on the opposite side, who are so critical of this and are so critical of this government and its policies in the north—

**Mr. Stokes:** We are not critical.

**Mr. Gaunt:** We are not critical of this programme, all we want to do is make it work.

**Mr. Yakabuski:**—you are doing the northern part of this province a great disservice. You are doing a great disservice to the north, because you are here purveying doom and gloom, pessimism and defeatism.

Let me tell you, sir, I come from a part of the province where some of that was preached some years ago, but we are learning. We have a climate of optimism down in eastern Ontario now and we are getting places.

The sooner you throw off those cloaks of gloom and doom, pessimism, defeatism, the better. You are not going to get anywhere in the north and you are insulting your municipal officials and community leaders. You are doing a great disservice to the northern part of this province and every one of you should be soundly trounced in the next election.

**Mr. Makarchuk:** We will let the voters decide on that.

**Hon. Mr. Bernier:** I thank the member for Renfrew South very much.

**Mr. D. Jackson:** I have a couple of things to follow up on that. First of all, maybe we are doing a disservice in the member's view—

**Mr. Martel:** No way.

**Mr. D. Jackson:**—but let me point out to him the population in northeastern Ontario is failing, not growing. And if we are going to

have more problems, as the minister said, because of the growing population you had better do something about the failing population. It is declining, not growing, and it has been declining for the last 25 years.

We are closing down mines every day. We will have more problems, there is no doubt about that, but not because of a growing population, but because of the fact we are going to have more unemployed, more people who are going to be chasing The Department of Social and Family Services for pensions and handouts. If they do not change that, surely the department is going to be so busy they will not know what to do with themselves.

But I am somewhat upset by the statement of the member for Lambton when he said he does not want any interference in his riding. Yet he will sit back and not criticize it when they put northern affairs offices into our ridings. It is all right for us.

**Mr. Henderson:** Well, there is nobody taking care—

**Mr. D. Jackson:** Because we are NDP, is that the point he is trying to make?

**Mr. Henderson:** There is nobody taking care of your riding.

**Mr. Martel:** You are a bloody ridiculous jackass!

**Mr. Stokes:** Now that is stupid, the member for Kenora has about six of those offices in his riding—

**Mr. Henderson:** He is a cabinet minister.

**Mr. Stokes:** —and you are saying that he is incompetent?

**Mr. Henderson:** No, he is not complaining about these offices, you are the one who is complaining. I still state that these officers should not communicate to the members.

Interjections by hon. members.

**Mr. Martel:** He is not for real, so I would not give him the time of day.

**Mr. Stokes:** It really is not worthy of comment.

**Mr. D. Jackson:** The point being that every member in northern Ontario feels that he has to look after the problems of his constituents, and does his best. Maybe some of us do not do as well as we should; maybe some of us do more than we should. But in the meantime we are doing our best.

As far as co-operation with the northern affairs officer goes I am ready to co-operate any time and we do co-operate. It is quite normal for us to spend an hour in a bull session talking over things that have happened. It is quite normal for him to phone me and it is quite normal for me to phone him. So there is a co-operation.

I have no criticism whatsoever for those officers in my riding. I think they do a wonderful job. I have criticism of the way that it is presently constituted. I think it can do a lot more and that is what bothers me. It is not what they are doing that bothers me; it is that I think they can do a lot more if the minister would give them the power to do it.

For the member for Lambton to say that a person might not want to come to us because he is a Tory with a Tory problem—

**Mr. Henderson:** I did not say that. He might be NDP and not want to come to a Tory.

**Mr. D. Jackson:** I can tell you this, that if the NDP have a problem, they will go to the Tories, too.

**Mr. Henderson:** They do in my riding.

**Mr. Martel:** In your riding they do not go to you.

**Mr. D. Jackson:** How do you know they go to you? Maybe you are missing a lot. Maybe we should put an office in his riding and serve the people a lot better. That is a lot of nonsense and he knows it is.

**Mr. Gaunt:** Mr. Chairman, just one last point: Would the minister undertake to do what I suggested?

**Hon. Mr. Bernier:** Yes, I said I would completely review that aspect of it.

**Mr. Gaunt:** You will review it?

**Hon. Mr. Bernier:** Yes I will review it, and with particular emphasis on the workmen's compensation aspect of it.

**Mr. Stokes:** Just to wind up about the commitments that were made by the minister, he would make a list available of the number of problems and the nature of them without any great detail—

**Hon. Mr. Bernier:** No, I did not say the nature. All I said is the number.

**Mr. Stokes:** —and to whom they were directed—what department they were directed to—



**Hon. Mr. Bernier:** What department is right, and the number of inquiries.

**Mr. Stokes:** You did indicate that you would inform the member of the satellite offices and the names of people who were staffing them.

**Hon. Mr. Bernier:** Right. We will do all that. There is no problem.

Vote 1305 agreed to.

On vote 1306:

**Mr. Chairman:** The Ontario Energy Board's programme.

**Mr. Henderson:** Mr. Chairman, on 1306, within the past year we have had Mr. Crozier, the chairman of the Ontario Energy Board retire. I would like to state publicly that I have been very proud of the work Mr. Crozier has done in western Ontario. He has had the admiration of several people within my area and I think we, as a government, should be very thankful for the work that Mr. Crozier has done for us.

Do you have a new chairman appointed for this post?

**Hon. Mr. Bernier:** Let me point out to the member for Lambton I certainly concur with his remarks that we should, as a government, and I am sure all the members will agree with us, acknowledge that Mr. Crozier has done a tremendous job.

At this point in time, there is no new appointment as chairman but it is under very active consideration by the government. Mr. A. B. Jackson is acting chairman.

**Mr. Chairman:** Mr. Stokes, I believe, had a comment that he wanted to make.

**Mr. Stokes:** Yes. I would like to find out from the minister what the commitment was by TransCanada PipeLines three or four years ago with regard to twinning the northern line—that is the line through northern Ontario—and whether there has been any retreat from that commitment that was made. What is the deadline or the amount of time remaining to the commitment to twin the northern line? I think it was by 1975.

**Hon. Mr. Bernier:** I think Mr. A. B. Jackson may have some further information on this, but I know that the actual job of twinning that line is under active construction right now in northern Ontario in my particular riding.

**Mr. Stokes:** Not construction, just line clearing, is it not?

**Hon. Mr. Bernier:** No, the actual construction—the pipe. In fact, I was in Upsala the other day and there must be 50 or 60 miles of pipe stockpiled there right at the moment. There is considerable work going around the Kenora area and it is moving ahead quite rapidly now.

I just do not have the exact dates at my fingertips.

**Mr. A. B. Jackson** (Ontario Energy Board): This is not a matter of direct concern to the board but Mr. MacNabb, a vice-chairman of the board, has information on that?

**Mr. I. C. MacNabb** (Ontario Energy Board): As I understand it, there is construction there now. There is a major programme, scheduled for 1972, about 400 miles of twinning. The clearing and preliminary work will be undertaken in 1971, and there is some looping going on right now.

As for the commitment that TransCanada made to the federal cabinet—it was to the effect that at least 50 per cent of the volume of western gas required to supply eastern Canada will be transported through the Canadian section—the northern Ontario section—and then, by the end of 1976, there is a further commitment that 60 per cent of the gas will come via that route.

The construction now contemplated, if and when it proceeds—and we hope it will proceed—will of course result in meeting that commitment.

**Mr. Stokes:** How much is going through now?

**Mr. MacNabb:** There will be at least 50 per cent; 50 per cent via the Great Lakes and 50 per cent via northern Ontario.

**Mr. Stokes:** And by 1975—

**Mr. MacNabb:** By 1976 they have committed 60 per cent to go that route.

**Mr. Stokes:** I thought it was either 65 or 70 per cent.

**Mr. MacNabb:** The commitment states TransCanada has agreed to accept as a target, by the end of 1976, that 60 per cent of eastern Canadian gas requirements will be transported through the northern Ontario main line and has further agreed that its long-range objective would be to transport 65 per cent of the volume for eastern Canada

through the northern Ontario facilities. So 65 per cent is their long-range target.

**Mr. Stokes:** Is the Energy Board of the opinion that the total requirements for the eastern markets will be met by the commitments entered into by TransCanada PipeLines at the present time?

**Hon. Mr. Bernier:** As I understand it, the programme may be expedited.

**Mr. Stokes:** May have to be expanded?

**Hon. Mr. Bernier:** Expedited, to complete it earlier than what the target says.

**Mr. Stokes:** Yes, because if you will recall, I think it was Union Gas made an application to import gas from the United States through Sarnia. TransCanada opposed this on the grounds that it was quite capable of providing for all of the needs, and through the northern line. Now does the board intend to hold TransCanada PipeLines to that commitment and assure the people of eastern Ontario, you know southern Ontario, that all of their requirements by way of natural gas will be met by a twinning or an expansion of the all-Canadian line?

**Mr. A. B. Jackson:** The commitment was not given to this board and this board could not hold TransCanada to that commitment. This is a commitment to the federal government.

**Mr. Stokes:** Yes, but obviously the Ontario government and, I assume through the Energy Board of the Province of Ontario, you made representations on behalf, presumably, of the people in Ontario to assure that their needs would be met and preferably by the Canadian route?

**Hon. Mr. Bernier:** If I may comment—

**Mr. Stokes:** That was the essence of your intervention I think at that time, was it not?

**Hon. Mr. Bernier:** If I may comment briefly. I have met on one brief occasion with the TransCanada people. They are going into some very extensive financial arrangements and they have every hope, every belief, that they will be able to live up to their commitment, maybe earlier than the requirement says.

**Mr. Stokes:** All right. One other comment that I want to make on it and that is with regard to the most recent application that they made, I think it was to the National Energy Board, for an increase in rates. Was

it the Attorney General who said that they were intervening on behalf of the people opposing the rate increase that was applied for by TransCanada? What is the situation with regard to those recent requests for an increase in rates?

**Mr. A. B. Jackson:** That request is being heard by the National Energy Board at this time. The Province of Ontario is represented there and participating in the proceedings.

**Mr. Stokes:** Just as an observer? I understood you were opposing the increase.

**Mr. A. B. Jackson:** It is the government and not the board and I am not able to answer you precisely. I believe it is not an outright opposition. It is a matter of participation in the proceedings with a reservation of the right to take a position.

**Mr. Stokes:** All you are saying is you want them to justify the increase?

**Mr. A. B. Jackson:** Yes.

**Mr. Stokes:** You feel the increase is justified then?

**Mr. MacNabb:** There seems to be some indication—there is good indication that some increase is required if TransCanada is going to be able to successfully finance this massive construction programme. The big question appears to be how much. As Mr. Jackson explained we have not been involved ourselves.

There is a counsel from The Department of the Attorney General and The Department of Justice and he has as advisers certain people from Treasury and Economics. We have not been involved in the consideration of Ontario's position as the case proceeds. It has been a very long involved hearing and is still in progress.

**Mr. Stokes:** What relationship, if any, do you have with Ontario Hydro?

**Mr. A. B. Jackson:** None.

**Mr. Stokes:** Yet it is energy and you have none? Have you ever been involved with this interdepartmental and intergovernmental research that is going on in the north? I am speaking in terms of water diversions as a result of a need for greater hydro energy; the possibility of using lignite which is a form of energy; the possibility of oil and gas exploration in areas that we mentioned earlier in these estimates. Does the Ontario Energy



Board involve itself in any of these things which are clearly energy problems?

**Mr. A. B. Jackson:** I think the answer to that is no. The board's regulatory powers over energy are confined to gas and oil.

**Mr. Stokes:** Exclusively?

**Mr. A. B. Jackson:** Substantially, that is true. There is a provision in the Act that the government may refer any matter with respect to energy to the board for an investigation and report. Now that provision has never been used for anything other than gas or oil but could conceivably be used if the government chose to make the Energy Board the vehicle for some investigation of some other aspect of energy.

**Mr. Stokes:** The task force recently announced by the Premier will look into all of the aspects of the operation of the Ontario Hydro. Were you consulted at any time? They do not figure that is a part of your function? There is no direct liaison between you and any other agencies in the province that concern themselves with energy? This could be a misnomer then. Why do you not call it the oil and gas board?

**Mr. McNabb:** It is probably a better term. Frankly, we really are an oil and gas board.

**Mr. Stokes:** One final thing. We are voting \$236,000 for the operation of the Ontario Energy Board and, specifically, it is for the regulation of natural gas rates and the granting of certificates of public convenience. You said you were not directly involved in the negotiations going on at the present time between TransCanada and the National Energy Board. Where does your function start with regard to the regulation of rates in the Province of Ontario? Also what are certificates of public convenience?

**Mr. A. B. Jackson:** First, of all, as to where our function starts and distinguishing it from the TransCanada PipeLines, we start with the gas companies that are under provincial jurisdiction. The three big ones of course are Consumers', Union and Northern and Central. There are some smaller ones besides these.

Certificates of public convenience and necessity are provided for in The Municipal Franchises Act. Under that Act, no gas distributor can go into a new municipality without having a municipal franchise and also having from our board a certificate of public convenience and necessity. The franchise is in the form of an agreement which has to be

authorized by bylaw of the municipality. Under The Municipal Franchises Act, we have to approve the terms and conditions. That approval has resulted not in an absolute standardization but a fair degree of standardization of franchise terms.

In addition to the franchise, a certificate must be obtained from this board. This is normal in public utility regulations. The board that regulates the rates also had the control over the expansion of service. Have I answered your questions?

**Mr. Stokes:** Yes. I just want to know what the relationship is between the establishing of rates and anything you might have to say by way of intervention before the National Energy Board.

**Mr. A. B. Jackson:** We are very much interested in what is happening at Ottawa. I said we were not directly concerned, and that is true, but we are very much concerned with what the effect of that is going to be on the Ontario distributors and, therefore, on our work of regulating their rates. TransCanada has asked for a very, very substantial increase in rates and it is being very strongly opposed by the distributors.

The distributors have conceded that some increase is necessary, but I do not think they go very far along the way to what TransCanada is asking. If TransCanada gets somewhere near what it is asking, this is going to have a profound effect on the costs of the Ontario distributors and, therefore, a very real effect on the work we are doing. So, although we are not directly concerned, we are following it fairly closely.

**Mr. Stokes:** Thank you.

**Mr. Chairman:** Vote 1306 carried?

**Mr. Makarchuk:** Mr. Chairman, I just want to follow this up. I gather you stated earlier that you have no consultation with Hydro as far as energy requirements for the Province of Ontario go. Is there any government agency that has control over this or does some planning or studies to find out what the energy requirements would be for the Province of Ontario? This is taking into account hydro, natural gas, fossil fuels, and so on, for the future, to ensure proper growth.

**Mr. A. B. Jackson:** I have to make one qualification of what I said before. When the energy section was taken away from The Department of Energy and Resources



Management a year ago there was an energy studies section there, consisting of a group of three people, one was an engineer who was also a research man, a statistician and a clerk. Energy studies have been carried on in that section. It has been with us only for a short time. It has not been fully integrated into our groups, but it is with our group now. The energy study section does make energy studies that go beyond gas and oil. This is partly due to its background, where it was not connected with our board, but it will continue to go beyond gas and oil and make studies of energy generally. To that extent, that one man, who is developing energy studies on a broad scale, obviously has some contact with Hydro as well as with other sources of information for his energy studies.

**Mr. Makarchuk:** If we wanted to find out tomorrow what the energy requirements would be for Ontario for the next five years or for 1976 or 1979, something like that, where would we get this? Is there an agency in government that can provide some kind of a co-ordinated answer that would take into account the hydro or the electrical energy available, the natural gas, the fossil fuels, etc.?

**Mr. A. B. Jackson:** I think the man I referred to in the energy studies section, which is now with the board, is probably the best source for this.

**Mr. Makarchuk:** He would have these figures available now, would he?

**Mr. A. B. Jackson:** Yes.

**Mr. MacNabb:** A forecast of the Ontario energy supply and demand as far as 1980 was prepared by this group when it was a part of The Department of Energy and Resources Management. This study was done about 1968, and it does forecast the sort of things that you are inquiring about.

**Mr. Makarchuk:** Okay. Now that you have those forecast figures, did you make any interventions to the National Energy Board when it was involved in the sale of natural gas? In other words, did you look at it in terms of meeting local requirements in Ontario and what effect this sale would have on the local energy picture?

**Mr. MacNabb:** No, the board did not. Again the province was represented at those proceedings. This gets into the question of the reliability of forecasts, and the National

Energy Board's function, of course, is to determine what the exportable surplus, if any, is—that is, surplus to Canada's long-term requirements. The studies and forecasts done in Ontario, of course, are used for comparison with the forecasts prepared by the applicants for export and with forecasts done by the National Energy Board. It has recently completed a long-term forecast of this nature.

**Mr. Makarchuk:** Do your figures gibe?

**Mr. MacNabb:** They are pretty close as of 1970, let me say that, but there is a great deal of disparity, particularly in the industrial sector, as far as natural gas requirements are concerned. It is a very uncertain picture. There is currently a great and increasing demand for natural gas in that sector, and it is due to increased cost of alternative fuels such as low-sulphur coal and low-sulphur oil and partly, of course, because of anti-pollution requirements and associated increasing costs. The cost of mining low-sulphur coal in the Appalachians apparently has increased greatly.

It does not take too many customers like the Ontario Hydro plant down here on the Lakeshore, with requirements of 60 billion cubic feet of gas per year, to throw a forecast out of whack. The area of projections will be a difficult one from here on in. I know that the National Energy Board is going to have a very difficult job in forecasting requirements, particularly in the industrial sector, when it is considering new applications to export additional quantities.

**Mr. Makarchuk:** Yes, you could foresee then that what might happen in certain situations if some other hydro plants decided to switch from coal to natural gas: they would be in a difficult position. In other words, it may not be available because it may have been sold somewhere else or consigned by some previous sale, and they would not be able to get it. This is quite possible, is that it?

**Mr. A. B. Jackson:** That is a reasonable way to look at it, and I have noticed in the paper that some new applications to the National Energy Board are slated for hearing next month and I think it can be assumed that these new developments that arise, at least in part, from pollution control and create massive new demands in Canada for gas, will be brought to the attention of the National Energy Board.

**Mr. Makarchuk:** I presume you will make very vigorous representations to the National

Energy Board in the future in respect to this, not just the pollution aspect or the possibility that Ontario may want more gas, natural gas. The other point—

**Mr. Bullbrook:** Will you permit a question? I do not understand the shaking of the head affirmatively there. As I understand the thrust of the reply that you have made to the members is that it is not your function so to do.

**Mr. A. B. Jackson:** That is correct as far as—

**Mr. Bullbrook:** But what comes to my mind then is, it obviously was not an affirmative nod, you are not a policy-making body.

**Mr. A. B. Jackson:** Very definitely not.

**Mr. Bullbrook:** And it seems that there is an obvious dearth of policy-making in connection with this very, very germane question—right? In my riding, for example, the conversion by Polymer, as you are aware, to natural gas, we hope is a forerunner to other conversions. And one then has to ask the question put forward by the member for Brantford, who is establishing our policy, and not just sitting in in observer fashion at the hearings of the National Energy Board, but having regard to the thrust that this government makes in connection with economic development of this province, the thrust that apparently your colleague hopes to make in the new Department of the Environment, who is sitting there—not as an observer, Mr. Minister—but who is going to sit there in an intervening fashion. It would seem to me that there is something very lacking here.

There is an anomalous situation on the face of it, that the Energy Board comes under your jurisdiction. There is an obvious overall lengthy reason, for that will come about as a result of government policy. But it seems to me, and you bear with me, I appreciate this, it seems to me somewhere along the line we are lacking here in a total responsibility in connection with the prognosis or the development of our needs in the context that I mentioned, and I am wondering if—is that not your question?

**Mr. Makarchuk:** Yes, this is very much so. The other point, of course, I want to bring up is that your chemical industry, or rather plastics industry, is by and large dependent on natural gas for its raw resources. And again I am interested in what studies you are carrying out in the department in that area to find out whether the possibility of a greater

plastic industry or some other synthetic type of industry is dependent on natural gas as a raw material in Ontario; the fact again that if you keep exporting it, keep selling it, that it follows—as we have tried to hammer home earlier—that jobs are going with our resources the same as in the mining industry.

Do you have those kinds of studies? Are representations made to some department of government regarding this thing? Just following what the member for Sarnia has said, is there an agency of government that is really seriously following this up, or a department of government, or one minister that is responsible for the whole thing then?

**Mr. Bullbrook:** May I make a comment while there is a discussion going on? We do not want to be unfair, and I am sure the member for Brantford does not, because this is a statutory body that is not concerned with overall policy, and I want to make that absolutely clear. The legitimate concern expressed by members of the committee and other members is: Is their policy being formulated? Are we doing justice to the people of Ontario in relying totally on the assessment made by the National Energy Board and essentially, is our position, as an observer, sufficiently active having regard to our total responsibility?

As I understand it, and I am quite subject to correction, basically your function as a statutory board is a rate-fixing function, and others I am sure, of which I am aware in my area, but not a policy-making function. Am I correct in that?

**Mr. A. B. Jackson:** Oh, you are quite right. If I appeared to be nodding my head, that was a—

**Mr. Bullbrook:** Yes, well the point being that the member for Brantford—and I say this most respectfully to him—asks the members of the board questions which have to do with the establishment of policy, but I think these questions should be directed to you, Mr. Minister, rather than them. The point is that they cannot make—

**Mr. Stokes:** All questions are.

**Mr. Makarchuk:** As a matter of fact, we have tried directing questions to the minister, and unfortunately in this particular estimate the civil servants have been doing the answering. We suggested at one time that they trade places.



**Mr. Bullbrook:** I do not subscribe to that necessarily.

**Hon. Mr. Bernier:** That is simply the member's opinion.

**Mr. Bullbrook:** Would you direct then, with me, to the minister, where are we getting this obvious need as expressed by the member for Thunder Bay, the member for Brantford, and I join on at the 11th hour? Where are we getting the response to our constitutional responsibility in connection with energy in establishing policy, having regard to the ecological circumstances at the present time and, in point of fact, the thrust of economic development and industrial development in this great province? I say to you, and I think you agree, that we just cannot entirely rely on it.

Somewhere along the line, I am wondering whether the function of the board must be expanded. I am inclined to think not, really. Because one regards the Energy Board as a quasi-judicial function to a great extent and I just do not like to see quasi-judicial bodies making policy. That really is the function of government itself.

But, as I said before, an anomaly strikes us here—a real dichotomy in effect. Here, they are under your jurisdiction because I think—and let it be recorded—I think basically the intention of government is that Energy and Resources Management will involve themselves eventually with the ecological aspect of what is going on in this province. Right? And that probably your ministry will eventually change itself to perhaps an appellation of Mines and Energy, or something of that nature, so that looks to be the eventual purpose of what is going on.

**Mr. Minister,** in direct question, do you see as a result of these questions a need for a positive evaluation of our energy needs by government, the establishment of policy and the ability therefore to take active participation in applications involving the export of energy, the distribution internally of energy also in Canada and, to some extent, I suppose, policy matters that would guide the board in connection with internal distribution within the province itself?

**Hon. Mr. Bernier:** As far as supplying of electric power across the province is concerned, of course, we have Hydro, who are doing their job in that particular field. I must agree with you when we are talking about petroleum and natural gas that your point is very well taken and I will do some investigation. Quite frankly I do not know right at the

moment, but I will certainly do some investigation and find out where that policy making body is, or that group, or that study or whatever is going on.

**Mr. Makarchuk:** In other words—

**Hon. Mr. Bernier:** But certainly there must be within—maybe Energy and Resources have a body, but I am not aware of it right at the moment.

**Mr. Bullbrook:** Well, I hope that it—

**Mr. Makarchuk:** Could we alternate?

**Mr. Bullbrook:** Yes, I just wanted to say, if I might, I do not like to see it go back to Energy and Resources Management. If it is going back there, let us send the Energy Board back there, notwithstanding the fact that they are not going to make policy, since they are going to be the instrument of policy, they have to fall within the same department. That would seem logical.

**Hon. Mr. Bernier:** That point is well taken.

**Mr. Makarchuk:** We are interested in not only the Hydro but we want a total energy picture for the province in terms of current needs and future needs, in terms of the prices that will be charged to the consumers, the fact that sales are made to other countries will be reflected in price increases to our own consumers. All these matters will have to be studied seriously and vigorous intervention should be taken on behalf of the Province of Ontario.

Obviously, right now, we do not know of any agency in government, if there is such an agency, that is doing that kind of work right now. I think this is a very important factor.

**Hon. Mr. Bernier:** The member for Thunder Bay mentions about Hydro being thoroughly examined. I will make sure that these comments that you make here today are brought to that group's attention and possibly from that we can formulate something.

**Mr. Martel:** Can we get a reply in the future?

**Hon. Mr. Bernier:** I beg your pardon?

**Mr. Martel:** At some future date can you give us some form of reply, because this will adjourn at 12:30?

**Hon. Mr. Bernier:** Yes, I will provide the members with a formal written reply to this inquiry.



**Mr. Makarchuk:** The other point I raised, of course, is the use of natural gases or the raw material that is used by the various chemical industries. Economic growth, by and large, will be dependent, not only on the energy, but on the supply of raw materials.

I will get from the rather lofty position to something more general. This is the matter of the deposits which people are charged by the gas companies before they are permitted to hook up.

I have had people who have had excellent credit ratings, and so forth, complaining to me and they say they have to cough up anywhere from \$45 to \$60 and \$65 deposit before they have their gas turned on. Generally they are under a kind of stress. They are moving. They have moved from one place to another. They have paid the rent. They have paid their month in advance and they do not have that kind of extra cash around. In some cases last winter this caused some hardships for the families who were without natural gas. I am speaking of my community in Brantford where children were involved and I had to call the president of the Union Gas in Chatham. We had a short chat and the gas was turned on, I must admit. He was kind in that respect.

But what I want to know is does the Energy Board here put any kind of pressure on the gas company to be more realistic in the handling of the consumers: They have a monopoly situation where the consumer is at their mercy and he has no choice in many cases. He moves into an establishment and has a gas furnace and he cannot change furnaces. He cannot switch to oil or electric heating. Do you make any representations on this?

**Hon. Mr. Bernier:** Before Mr. Jackson replies, may I just comment briefly on two other aspects with which I am very well acquainted?

One is the Bell Telephone Company. We are the agents in my home town for Bell Telephone and they, on many occasions, require a \$50 deposit before the phone is connected. I realize that this is not an essential service. Hydro, on occasions—where the credibility of that particular customer is in question; where his background is not of the best—also require a very healthy deposit.

**Mr. Makarchuk:** I realize—

**Hon. Mr. Bernier:** I do not know. These are two cases that I know of.

**Mr. Makarchuk:** That is exactly the point because Bell does or Hydro does—I do not

agree with them and I do not agree with this either. This is the one point.

The other point is where they cut the gas off—and this again has happened because of the economic circumstances within the country right now. People have had their gas cut off and, again, small children were involved in the middle of winter. There seems to be a sort of very callous disregard for the people. It is strictly a dollars and cents proposition as far as the gas company is concerned.

Have you had complaints from people to yourself in the past on this matter? Do you have any kind of policy? Can you put pressure on the gas company in this respect? I would like some information on that.

**Mr. A. B. Jackson:** We have had very few complaints. Mr. MacNabb has some information that may be helpful.

**Mr. MacNabb:** We have had some, as Mr. Jackson says, in your area just recently. The Union Gas Company has changed its policy. It used to require from doubtful accounts—or accounts who were assumed to be doubtful until proved otherwise, I will put it that way—proof of continuous employment for three years. They have reduced that to one and they have refunded a great many security deposits with three per cent as a nominal interest very recently.

We had a couple of complaints about a year ago. We contacted and discussed with each of the companies their security deposit policy. There is some uniformity but it certainly is not complete. Generally speaking, it costs the company money to administer such a policy. They do not like it any more than the customers do but they have to protect themselves, gas being a commodity that you pay for after you use it.

There will always be some doubtful customers and these are the only ones really that the companies are interested in getting a security deposit from. But I think you will find that the policy at Union Gas Company of Canada Limited has been recently revised and it should be a little better now.

**Mr. Makarchuk:** We have had numerous conversations with the president of the company on certain occasions. I thought that they were rather harsh in their treatment of the people and maybe that is why they revised their policy.

The other point is the interest rates they pay on the deposits. Again under The Landlord and Tenants Act we have by legislation

insisted that the landlord pay a certain interest rate—I forget what it is—and I think perhaps certain representation should be made to the gas companies to insist that it is not only three per cent but perhaps it could be upped to something like five per cent at least. This is not going to amount to any great change in funds, but at least it would be more equitable to the consumer.

**Mr. A. B. Jackson:** Perhaps I should say that there is a limit to our control over this. The right of the gas companies is the same as the right of other public utilities under The Public Utilities Act, which is a statutory right reading this way:

Any corporation before supplying any public utility to any person or to any building or premises, or as a condition of continuing to supply the utility, may require any consumer to give reasonable security for the payment of the proper charges therefor or for carrying the public utility in to the buildings or premises.

**Mr. Stokes:** Is that a federal statute?

**Mr. A. B. Jackson:** No. This is a provincial statute, The Public Utilities Act.

**Mr. Makarchuk:** Well then, the argument is the rate, and again I think there is room for improvement in that and we hope to see it next year.

The other point is when the company applies for rate increases, how do you decide what the return will be? Do you work on a basis of the return on investment of the company before you permit them a rate increase? What factors are involved in the decision-making?

**Mr. A. B. Jackson:** Well, it is easy to state it in general terms. Section 19 of The Ontario Energy Board Act is the one that deals with rates and it requires the board on a general application to increase rates—which I think is the sort of thing that you are referring to—we are required to find a rate base and to decide that the rates allowed will produce a fair return on that rate base. The rate base, speaking more or less colloquially, is investment, and the question how you find what return is fair really is the \$64 question. One goes into the cost of money as far as you can go into it—

**Mr. Makarchuk:** This would be related to your rate base, the cost of money anyway, would it not?

**Mr. A. B. Jackson:** The rate base is the investment.

**Mr. Makarchuk:** Yes.

**Mr. A. B. Jackson:** The cost of money is the per cent return on your debt and that sort of thing. Now some of these things you can get fairly accurately from the records of the company, what they are paying on their bonds and the dividends on their preferred shares. When you get to the common shares you do not have those guides.

It is becoming the practice of regulatory boards to get a great deal of information on returns not only in the utility industry but industry generally, and you do not get accurate answers, you just have to get as much relevant information as you can and draw the best conclusions you can out of that. This applies particularly to the common equity, because with the others you can get close to it by what they are actually paying for their money.

**Mr. Makarchuk:** What return do you allow them? What is their figure in investment?

**Mr. A. B. Jackson:** There is no standard fair figure.

**Mr. Makarchuk:** Well how do you settle? In some of the ones you have handled, or some of the particular cases, you may have allowed them, what—a return of 15, 10, 8 or 6 per cent? Do you have any kind of a guideline within which area you will work?

**Mr. A. B. Jackson:** The guide comes from the evidence you get in the particular case, and as you know, the cost of money has been increasing quite rapidly in the last few years.

**Mr. Makarchuk:** Yes, but they would be charging their interest rates in their payments for the cost of the money to the operating costs of doing business, so it really comes off their profit anyway.

**Mr. A. B. Jackson:** Yes, that is right.

**Mr. Makarchuk:** So, what we want to know is their total investment. And then you look at it and say, "Okay, we will permit you"—what? Six per cent, eight per cent, or do you look at it that way?

**Mr. A. B. Jackson:** We grant an overall return on the overall investment, but in arriving at an overall return, which is called the rate of return—



**Mr. Makarchuk:** Okay, if I may interrupt, let us—make this simpler—exclude the cost of money right now at the moment, and we will add the cost of the money to the return later on, but on the overall investment, excluding the cost of money for their investment for the capital projects, what return do you allow?

**Mr. A. B. Jackson:** What you are asking for, I think, is the return on the equity portion of the rate base. The evidence put before us in the case that we heard on an application for an increase in the rates of Northern and Central indicated that the return on equity capital should be somewhere in the range of about 12 per cent to 14 per cent.

**Mr. Makarchuk:** Then on top of that is added the cost of money, is that correct?

**Mr. A. B. Jackson:** Yes. Since we are given a return on the total investment you have to provide for the return on the equity capital, and the other capital too.

**Mr. Makarchuk:** I will go along with that, since the cost of money goes up and so on. But do you feel that 12 per cent to 14 per cent is a bit high in view of the fact that the manufacturing industry—and this is according to the Canadian Manufacturing Association itself—says its return in investment is only between something like nine per cent or 12 per cent, while you are working for 12 per cent to 14 per cent?

**Mr. A. B. Jackson:** There is perhaps a limit to which the board members can give definite opinions on what the rate ought to be when we have a case before us in which we have to make that determination. This is something we are doing now. But we do have to keep in mind that we are talking about the equity portion of the capital, and we are talking about that at a time when big corporations, including utility corporations, have been unable to get the money they needed at over nine per cent interest.

**Mr. Makarchuk:** Well, I always look at it this way: If we need the energy and if the private corporation is not prepared to do it, then we will have another Ontario Gas Corporation that would be prepared to do it. This is our answer to the problem. I do not really think that the 12 per cent to 14 per cent figure is a fair figure, considering that they have a monopoly situation. The Bell Telephone is limited to seven per cent or something, even though they have gone about

one per cent or a fraction of one per cent over that amount.

The other point, of course, is this: Are any of the gas distribution companies owned or partly owned by foreign companies?

**Mr. MacNabb:** Well, if you mean partly, Consumers' Gas is three per cent foreign-owned. It is 97 per cent Canadian; basically all are Canadian, yes.

**Mr. Makarchuk:** Do you examine whether they pay royalties, management fees, consultant fees and so on to other agencies outside of Canada?

**Mr. MacNabb:** They do not.

**Mr. Makarchuk:** They do not? Fine. I guess that is about all.

**Mr. Stokes:** I have one question. With regard to the cost of oil and gas in northern Ontario for motor cars, for heating, for diesel-fuelled motor vehicles, to what extent do you people become involved in the rates that are charged across the province? Surely you are aware that premium gas is about 10 cents a gallon higher in northern Ontario than it is in southern Ontario, and I think maybe the same for No. 2 gas.

Have you ever been approached by any department of government—speaking specifically of Treasury and Economics—which has been aware of the disparity in the cost of gas and oil in northern Ontario as opposed to southern Ontario? Have you ever done any cost analysis, or any comparison, with regard to the cost of transporting a gallon of gas to the north or any additional charges as a result of the distribution of gas in that area as opposed to another area where, as I say, it is as much as 10 cents cheaper? Have you been asked to correlate that information and in some way try to highlight the need for some uniform cost of vital energy, such as oil and gas, in all parts of the province?

**Mr. A. B. Jackson:** That, as was explained I think, lies completely outside the normal jurisdiction of the board. It could only come before us under the Act, I think, by a reference from the Lieutenant-Governor-in-Council, as I mentioned, or by the research done by the one man who has come to us from The Department of Energy and Resources Management. The board itself, apart from this research man who does broad studies—

**Mr. Martel:** You arrange that.



**Mr. A. B. Jackson:** —has no jurisdiction in that.

**Mr. Stokes:** You are saying that you do have some control over the rates charged for oil and gas, but you do not have the same responsibility for the other kinds of oil and gas that we are talking about?

**Mr. A. B. Jackson:** I should say, first of all, that our jurisdiction over oil is not over the price of oil. Our jurisdiction over natural gas and manufactured gas for that matter, is over price. Our main job is the price of natural gas.

With oil, though, the Act does not give us jurisdiction over price and, therefore, we have no jurisdiction over gasoline prices.

**Mr. Stokes:** With your knowledge of the gas and oil business in the Province of Ontario, what agency would be responsible for looking into this? Would it be Financial and Commercial Affairs?

**Hon. Mr. Bernier:** If I might add, just to clarify the point, Mr. Chairman, this matter of gasoline prices is under very active consideration.

**Mr. Stokes:** By whom? That is what I want to find out.

**Hon. Mr. Bernier:** By the government.

**Mr. Stokes:** No, but by whom?

**Hon. Mr. Bernier:** There is a cabinet committee set up.

**Mr. Stokes:** Under the aegis of what department of this government?

**Hon. Mr. Bernier:** The Attorney General has taken it upon himself to tie up this spearhead—this organization—and I am actively involved in it.

**Mr. Stokes:** If I wanted to make representations to somebody, who would I make them to?

**Hon. Mr. Bernier:** I should say Financial and Commercial Affairs. The hon. minister for Financial and Commercial Affairs is spearheading the study and we are really getting involved in it now

Vote 1306 agreed to.

**Mr. Chairman:** This completes the estimates of The Department of Mines and Northern Affairs.

Gentlemen, just before we adjourn, I must point out that the reason I believe that estimates are sent to the committees is for one general purpose and that is to allow for the full participation, not only of members, but also the senior staff of the department. There was a bit of an inference made some place along the line in these estimates that probably the minister should have been responsible for answering all of the questions, but I just want to make that point very clear. I think that we, as members, all appreciate the opportunity of hearing directly from those who are involved in the departments.

**Hon. Mr. Bernier:** Thank you very much, gentlemen, for your co-operation.

The committee adjourned at 12:29 o'clock, p.m.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Labour

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Thursday, June 10, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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It is my respectful opinion and suggestion that we should have, in these estimates, an in-depth look at the compensation board and I would ask that you rule right now whether we are going to have just another look at the compensation board over a couple of hours in committee, and then a few speeches here and we are going to let them go their own merry way. I would like a ruling on that and I would like to be able to ask any question, I would suggest, that is pertinent to the workings of the Workmen's Compensation Board.

**Mr. Chairman:** I think if you are discussing in-depth cases—

**Mr. De Monte:** No, not cases; I do not want to discuss cases.

**Mr. Pilkey:** What we need is to be able to ask any question in relation to the Workmen's Compensation Board. Obviously the only reason it is not in the estimates is because it is self-sustaining in effect and as a result of that there is no real expenditure. But surely as it comes under the jurisdiction of the Minister of Labour we have to be able to ask questions and put our views where we think the Act falls short. That is all we are saying. I do not think it is real inconvenience to the board to be here during that period. May we know?

**Mr. Chairman:** I think that is the idea of having it at the last because then we can arrange for this. But I would ask you, if you have some particular areas for instance, to relate them, because we may not have some of the staff here that would answer the questions that you want to have looked at. But if I can arrange to have them here it would make it more meaningful.

**Mr. Pilkey:** We want to talk about the whole question of benefits as an example. We want to talk about procedures in front of the board. These are just two examples of what the whole question—

**Mr. Chairman:** Well if you will let me know these particular areas I will arrange with them to have someone here.

**Mr. De Monte:** Mr. Chairman, I am not specifically interested in the areas. For instance I would like to look at the accounts of the Workmen's Compensation Board in depth. They maintain certain things, and I think that perhaps some of the information they have given is not quite correct and I would like to be able to examine them in

depth in connection with their financial statement.

**Mr. I. Haskett (Ottawa South):** I understand, Mr. Chairman, you have offered us the alternative—either to discuss the Workmen's Compensation Board in depth at the end of the estimates of this department, or to deal with them separately; but before this committee, and to deal with them exclusively. It is just a question of which is going to be the most use to us as a committee, and I think this is what we want to decide. Is it going to be any advantage to us to discuss them with the minister here? Or do we want to have the full parade of the Workmen's Compensation Board and deal with just the compensation board, but before the same committee and in much the same way. There is really no estimate relating to it and I think in procedure it may be neater to deal with it separately, but deal with it just as fully. That is what we want. We want to deal with the Workmen's Compensation Board fully.

**Mr. De Monte:** Right. But I am not prepared to accept, Mr. Chairman, the fact that I will be able to make an opening statement about workmen's compensation and give you my opinions and then they go their own merry way. I have noticed in the past that that is all we have been able to do really.

**Mr. Haggerty:** About one hour on the floor!

**Mr. De Monte:** About one hour on the floor!

Now the main thrust of my position is that we should have the right to examine not only the commissioners but the deputy minister, so to speak, of the board to find out what his thinking is about workmen's compensation, and directly in that connection, perhaps with the inadequacies of the pensions and the rehabilitation system.

My friend here picks on the standing committee. Well it is all very well to have them before us in an hour, but let us remember they spend \$900 million a year in this province—

**Mr. D. H. Morrow (Ottawa West):** You are asking—

**Mr. De Monte:** They spend \$900 million a year in this province, and we want to know how it was spent and whether it was spent in a proper way.

**Mr. Morrow:** All right, ask them before the standing committee, then.



**Mr. De Monte:** We have been before the standing committee—

**Mr. Morrow:** It is certainly not estimates.

**Mr. De Monte:** You are being highly technical. I admit, nevertheless, they are spending a lot of money and we want to know how it is being spent.

**Mr. E. P. Morningstar (Welland):** Mr. Chairman, you get all this information before the committee, do you not. They spend a half a day here, as long as you like, before the committee on finances.

**Mr. Chairman:** I think the point here is that the board will come and discuss to any depth that we ask them to do.

**Mr. De Monte:** Would you make a ruling to that effect, that you will ask them if they will come?

**Mr. Chairman:** I am not sure whether they are actually estimates of the board or the department or whether they are—I mean a matter of policy—

**Mr. Pilkey:** Surely they are a part of The Department of Labour and under normal circumstances they would come in, and at the end—

**Mr. Chairman:** They will certainly be in on these estimates and having the board here is the place to discuss policy matters. But if you are talking about expenditures—

**Mr. Pilkey:** But surely any change in the board's policy has to come through the minister. He makes all those presentations to this Legislature, and I for one would prefer that the minister be here during those discussions. I just do not want them coming in front of the committee as a board or a commission without the minister being a part of that.

**Mr. Chairman:** I think there are two things. First of all, what you want to discuss with the minister being here are the policies of the board, for which the minister has indirect responsibility. The other part, if you want to get into the expenditures and how they dealt with those matters, I think that should come before the standing committee.

I am suggesting to you that you have two chances of dealing with this, but policy matters I think should be discussed here in the estimates; the other part, I think should be before the standing committee. And if we do that—

**Mr. Haskett:** Mr. Chairman, can we do that? If we question the minister during his estimates at the end on the policies of the department respecting the Workmen's Compensation Board, can we then have the Workmen's Compensation Board back before the committee for an in-depth study!

**Mr. Chairman:** Certainly!

**Mr. Haskett:** Now is this what we want?

**Mr. De Monte:** As long as it is an in-depth study; that is my concern. It usually is not an in-depth study. We do not have the staff, the people to examine, for instance; or the accounts of the Workmen's Compensation Board in depth. Certainly, I am not an accountant, and my friend here is not an accountant, but we should have an in-depth study of that. And for instance the adversary system; I would like to know, not only from the minister but from the board why they opted for a fairly technical and long adversary system.

**Mr. Chairman:** That is the policy.

**Mr. De Monte:** Well it is policy, but it seems to me, with the greatest of respect, that the policy is being set at the wrong places. I say that respectfully.

I would like to know about the adequacy of rehabilitation from them. The minister cannot know the details, he cannot be expected to know the details, but the people of the board should know the details, and that is my point.

In connection with the fantastic increase in staff—I would like to know about that. Why? And I say with respect, Mr. Chairman, that I certainly—

**Mr. Chairman:** Those are policy matters, and quite properly considered under the estimates.

**Mr. De Monte:** Well, that is true; but as I say, since the board is responsible to this House, I think that the House, through its appointed critics, should have the right to take an in-depth look at this whole thing. I say that perhaps we should have a system whereby they come before us, not for a half a day before a committee, but for an in-depth study of all the ramifications of the board.

The minister has to stand up here and take all the punishment because he runs the department; I submit with respect that because of the large expenditures being made at the board that we should, as members of the committee, as members of the Legislature,

have an in-depth look at it, and an in-depth look at it every year.

**Mr. Haskett:** Have we your assurance then, Mr. Chairman, that we can examine the minister on—

**Mr. Chairman:** On all policy.

**Mr. Haskett:** —policies during his estimates, but that will not preclude us having the board back for our study afterwards.

**Mr. Chairman:** No.

**Mr. Haskett:** I think that is what we are looking for.

**Hon. Mr. Carton:** I think I can perhaps lay the first—

**Mr. De Monte:** I would like a ruling from the—pardon me, Mr. Minister—I would like a ruling from the Chairman as to what he is going to do, and I would like to know now so I can judge my actions.

**Mr. Chairman:** I started off, Mr. De Monte, telling you that the first board to come before the standing committee as a standing committee will be the Workmen's Compensation Board, and they have been notified.

**Mr. De Monte:** Will they be before the committee until we have finished with them or just for half a day?

**Mr. Chairman:** I have not, in my time here, ever seen any curtailment to Workmen's Compensation Board discussions. If it is curtailed it would be a matter of the committee members not having further questions to ask.

**Mr. Pilkey:** No, no; I will tell you what they have done, with great respect! What they have done in the House, as I recall the last time, we had an hour or two on the workmen's compensation—

**Mr. Haggerty:** One hour!

**Mr. Pilkey:** Well whatever it was! And they said at some future time during the sittings of the House we will bring the board back, we will discuss the Workmen's Compensation Board again. Well, frankly, they never did that at all. It never ever came back, because the House adjourned for that day, after one hour as my friend points out, and that was the end of it. They were never brought back into the House at all.

Now we are in committee it is a little different, I appreciate that you have control

now to keep this thing rolling. In the House they just went on to other business and never brought them back. We finished the estimates, but the Workmen's Compensation Board portion of the Labour department debate was never brought back to the House. That is what happened.

**Mr. Chairman:** You realize also, Mr. Pilkey, that what time is taken in estimates—why I am suggesting the two things, frankly, is so that it does not interfere with your time on estimates.

**Mr. Pilkey:** Surely when they are in committee, as I say, it is somewhat different than being in the House.

**Mr. Chairman:** You are no different, because whatever time is taken here in estimates is chalked against you in the total time taken for estimates.

**Mr. Pilkey:** Is that true?

**Mr. Chairman:** On a formula basis, I must point out to you that this is an extension of the House.

**Mr. Pilkey:** Well I understood that this time in committee was not put against the total hours under the formula we have in the House.

**Mr. Chairman:** Oh yes it is. It is definitely in the standing orders.

**Mr. Pilkey:** Well I question that.

**Mr. Chairman:** It is definitely in standing orders, you will find it there. I want to point out to you that this is why an in-depth examination of policies was preferable. If you get into areas of estimates of the actual board, that might well be handled in committee, it is much more to your advantage, sir. That is why I am suggesting the two committees. The standing committee does not count, but this is against your total time.

**Mr. Pilkey:** That was not my impression, but go ahead.

**Mr. Chairman:** You will find it in the standing orders, sir. It is right here if you want to look at it.

**Mr. Pilkey:** No, I will take your word for it.

**Mr. Chairman:** Mr. Minister would you give your lead off comments then.

**Mr. De Monte:** Your ruling, Mr. Chairman, is that we will be able to discuss the Workmen's Compensation Board in principle



here in the committee, after the estimates are finished, on vote—I forget the number of the vote—but—

**Mr. Chairman:** Yes, we can do an in-depth examination here, but you must realize that your party's time is being taken in doing it.

**Mr. De Monte:** Aside from that your ruling is that we hold a discussion on principle and that if there is any in-depth study it will take place at the committee stage, at the standing committee stage.

**Mr. Chairman:** Right! I want to assure you that it is not my wish to curtail examination of the Workmen's Compensation Board in any way, or form, but I do want to make you realize that we are using up time in estimates at a terrific rate, and I do not want you coming into the House and saying that we have no time left for other estimates of other departments and accusing us of cutting your rights and privileges.

**Mr. Pilkey:** We may do that anyway.

**Mr. Chairman:** You will do it, eh?

**Mr. Minister.**

**Hon. Mr. Carton:** Mr. Chairman, members of the committee, we have continued the practice of the past four or five years and have distributed to all members of the House a statistical and descriptive summary of the department's functions and activities up to the end of the last fiscal year, March 31, 1971. This should answer most factual questions about our jurisdiction and the dimensions of our programmes. It covers the past. My comments today will be directed mainly toward the present and the future.

I want to touch briefly on a few of the highlights, and I shall follow the order in which the department's programmes and activities appear in the estimates book. You will understand if I do not refer specifically to all areas since many tend to be self-explanatory support services, and are set out in some detail in any case in our summary book.

Our research branch is pursuing an active programme. Its role is to provide the government and the department with a foundation of information and analysis upon which to build policy and administration, and at the same time to offer to the public—mainly labour and management—information that they need in industrial relations and related spheres.

Significant studies are currently under way covering several areas of concern. In the employment standards area, for example, a survey of wages, hours and premium pay provisions is being made of certain branches of industry. The results, coupled with such other studies as the one now being made in connection with employers' adjustment to new minimum wage rates, will assist in the design of future changes in employment standards.

A number of studies, looking toward methods of increasing the effectiveness of our apprenticeship and training-in-industry programmes, are currently in progress.

Finally, we have several complex and important analyses under way for both the industrial relations and safety sectors of the department.

Later on, if the members wish, I can go into a great deal of detail about the branch and its work, including its library and collective agreements library services and its publications, but perhaps these general comments will suffice at this moment.

The labour safety council, our advisory body on all matters relating to the safety of working people, is continuing its studies of safety legislation and programmes and is regularly submitting recommendations to me and the department. A study of manual-lifting techniques and their relationship to back injuries in industry is nearing completion.

Senior representation from labour, management and government attended a special safety conference sponsored by the department and the council earlier this year and developed recommendations which are currently being examined by the council.

Although its objectives cannot be achieved in one year, the safety and technical services division of the department is now working toward a new system which will emphasize proper maintenance as the best method of eliminating or reducing hazards associated with the operation of such devices as elevators or pressure vessels.

While proper maintenance has always been a requirement of the law, there has been a tendency for some of those responsible for these devices to rely almost exclusively on routine government inspections to do the job of diagnosing defects and pinpointing repair and maintenance needs.

This is an unfortunate and potentially dangerous abdication of responsibility. The difficulty is that no inspection agency can ever have sufficient staff and be on the scene frequently enough to be able to assume the



owner's responsibility for safe maintenance and operation.

The only answer, as we see it, is to move gradually to a situation in which the government's role will be to set and enforce design and maintenance standards and ensure that there is a sufficient supply of competent personnel to carry them out. By operating a safety programme in which the owner realizes that he, and not the government inspection agency, is directly responsible, I believe we will achieve better accident prevention results with long-term savings for the taxpayers.

By assigning more responsibility for the proper and safe maintenance of elevators and boilers to the owners, we will be able to avoid a very large and ever-increasing workload, although by how much it is difficult to forecast at this point. Of course, this shift of emphasis will still require staff to establish and maintain design standards, as well as to ensure active surveillance for compliance. We do not anticipate any reduction in current staff, but rather a different, better—and for them more rewarding—utilization of staff talents and resources.

Greater emphasis will be placed on a consultative and educational approach as opposed to the traditional enforcement orientation. Our experience over the years indicates that an enforcement programme, to be truly effective, must necessarily be coupled with a well-designed educational programme. Among other things, we shall expand our programme of publishing data sheets to provide industry with advice on safe working and operating practices.

On the other hand, there will be no relaxation of our efforts to improve safety conditions and eliminate hazards in the work places of the province. We are going to be able to focus our inspection activities more precisely and effectively as a result of the development of a new statistical system that does a better job of identifying the location and cause of high accident frequency rates.

This year for the first time, our estimates include the energy branch, which was transferred from The Department of Energy and Resources Management. The move makes good sense in that the functions of the energy branch tie in closely with the safety responsibilities of the other branches of the safety and technical services division.

During the coming year, steps will be taken to supervise gas pipeline safety more closely by requiring advance scrutiny and

approval of design and construction plans for large diameter or high pressure lines.

There will be more inspection of pipelines during construction and more frequent and stringent review of operating and maintenance procedure manuals which are prepared by the gas companies and filed with the department. Laboratory certification of appliances will be emphasized and efforts will be made to develop standards for appliances where such do not currently apply.

While the industry will be expected to assume increasing responsibility for ensuring safety, the public too will be involved to a greater extent in the safe operation of propane refrigerators, vaporizing type fuel oil appliances and handling of gasoline.

Finally Mr. Chairman, I want to refer briefly to our current effort to establish a code of uniform building standards that will apply across Ontario and be based largely on the National Building Code. As you know, a special committee reported last year that uniform building standards constitute a feasible objective and it outlined a procedure for bringing them about.

As a result, we appointed, early this year, two committees consisting of knowledgeable persons from a broad range of interests across Ontario to assist us with the development of the actual code and to recommend ways and means of implementing it. These committees are hard at work. I do not expect that their task will be sufficiently advanced to permit legislative action during this current session, but I have no doubt that action can be taken early in 1972.

The past few months have been exceedingly busy for our conciliation and mediation services, but actual industrial relations conflict—measured, at least, in terms of numbers of strikes and reported incidents—is much lower than it has been for several years.

One is always tempted to attribute this to the legislative innovations of a forward-looking government—as contained in Bill 167 of the last session. But I must be honest and admit to you that Bill 167 did not go into force until February 15 and cannot yet have had much of an impact—good or bad, depending on the viewpoint. It is simply too early to comment on its effects. I assure you, however, that we shall be closely watching and evaluating its impact over the coming months.

On the other hand, I do assert that the department's conciliation and mediation branch has undoubtedly played a most sig-

nificant role in this favourable trend. The branch is extremely busy. The caseload is very heavy. However, the branch is still able to respond quickly to the needs of labour and management for assistance in bringing them to a resolution of their disputes.

As members are aware, a union can strike or an employer can lock out after the formal conciliation process required by The Labour Relations Act has been exhausted. At one time this formal process coupled with some further assistance if the parties should request it, was about the sum total of Labour department involvement in contract disputes. Today, however, the branch possesses a staff of senior, respected and knowledgeable mediators who step in at the appropriate time following the exhaustion of formal conciliation and seek to bring about settlement. They have been remarkably successful. In the first year of operation, just ending, they provided mediation in 223 disputes and helped in the settlement of some 190.

We had anticipated considerable difficulty this year in the construction industry. As matters stand, the parties themselves are settling their disputes, in most cases prior to seeking government intervention in the form of conciliation services. At the same time several trades are moving toward a new province-wide bargaining relationship which will likely help to foster stability in the industry in the years ahead.

The labour-management arbitration commission was established two years ago to train, develop, register and administer a roster of acceptable and knowledgeable persons to act as arbitrators and arbitration board chairmen to deal with grievances and interest disputes that must be settled by arbitration. The commission's workload is growing and recently we delegated to it the task of making selections and appointments under section 34 of The Labour Relations Act where the minister must appoint if the parties cannot agree on somebody. The commission is beginning to publish awards and held one training seminar for arbitrators last fall. I understand more are planned. I feel confident that this body, bringing together representatives of employers and unions, will make an important contribution toward the establishment of a more respected, expeditious and just system for the adjudication of grievance disputes, thereby eliminating a source of conflict between union and management.

Members of the House will recall from previous years that our industrial training

branch is developing a new approach to training-in-industry which is described as the block or modular system. The modular approach allows persons to be trained quickly and efficiently to perform the skills currently required of them to do specific jobs. It also permits the speedy addition of further blocks of knowledge and skill to enable them to cope with changes in these jobs or to move to other jobs.

Under the modular approach, the real skill-content of jobs is identified. There is a minimum of "training wastage" in that persons are not trained to do things they are unlikely to be required to do. At the same time, they receive written credit or recognition for the training they have received and for what they subsequently add, which enables them to be mobile. Modular training experiments are taking place in the tooling, petro-chemical and food processing industries, with encouraging progress being made. An analysis of the mining industry has also been completed.

Related to this programme is a comprehensive survey of the mechanical component of the construction industry that has just been carried out. It indicates that labour, management and training authorities alike may have to do some massive rethinking of trades training in very short order. The study shows that the generic titles and the traditional definitions of many trades are becoming less and less meaningful as specialization within these occupations becomes increasingly widespread. This summer, there will be a similar study into the electrical components of the construction industry. It, too, will examine the actual work content, the types of tasks involved in the course of a worker's normal duties and the skills and knowledge required to perform these tasks. These studies will be important in helping us to shape the kinds of training programmes that are going to be necessary in the future.

Meanwhile, an internal task force under the chairmanship of Dr. William Dymond, former assistant deputy minister in the federal Labour department and later the federal Manpower and Immigration department, who is now with the University of Ottawa, is investigating the whole question of the appropriate role of government in the training-in-industry field.

We have now had almost six months of experience with the new Women's Equal Employment Opportunity Act. There is no doubt that it is doing what it was designed to do—to throw open new doors of employment opportunity for women. There is very little to



be said, except that employers appear to be accepting the legislation, as do the trade unions. The maternity leave provisions are filling a long-felt need.

The women's bureau has not, of course, abandoned its other programmes. Its vocational counselling service for mature women who want to return to the labour force continues to grow.

The service is now provided on a full-time basis in the Toronto office and on a rotational basis in the regional offices in Windsor, Hamilton and London. Further expansion to other centres is planned.

At this time, I shall touch only briefly on the Human Rights Commission. The range of activities in which this agency is involved is very broad indeed. In addition to its handling of cases and complaints, each of which represents a human problem that requires a patient but firm response, the commission is involved in a catalytic role in attempting to assist our Indian population to better their own conditions in our community or in an ombudsman role on behalf of Indians and other minority peoples.

Following specific complaints, the commission concluded that members of "visible minorities" face particular difficulties in getting employment as performers or models in television commercials and photographic advertising. Submissions were received by a special review group and their report is now being prepared.

The "storefront office" on College Street, operated by the commission and staffed by the department, has proved to be both needed in the area and a most useful way of taking government services to the people. A new such office is being opened in Windsor.

Finally, Mr. Chairman, I do not think I need elaborate on the description of the work of the employment standards branch that is contained in our blue book of descriptive summaries. The fact that I am not dwelling on it at this time has no particular significance. Actually its competence is so well known that it does not need special buildup from me. Such a well-known and respected journalist as Mr. Frank Drea said only last Friday in the Toronto Telegram:

Since last October, all Ontario workers are protected by the most inclusive job and wage legislation in North America—

**Mr. S. Lewis** (Scarborough West): Sounds as though he is making a nomination speech for the Scarborough—

**Hon. Mr. Carton:** He wrote:

All a man has to do is complain and all the might of the employment standards branch is behind him.

Mr. Chairman, this concludes the formal written remarks. I would like to add a few personal remarks.

First of all, since taking over the portfolio on March 1, mine have been well-filled days. We have under our administration some 27 or 28 statutes. I have become conversant, I think, with most of them—very familiar with some of them.

In addition, we have some 27 sections in the branch. It takes some time to get involved, but I do believe I am involved in most of them presently.

Also you have some humbling experiences; one of which I will tell you because I think it brings one down to earth very quickly. I was coming in the east entrance to the Parliament buildings one night, and this gentleman stopped me and said, "You did not sign in." I said, "I am sorry" and went back and signed in the time and put down The Department of Labour. He hurried along the hall after me about a minute later and said, "But you did not say you are in The Department of Labour." I said, "I am sorry; I am the minister." He looked at me and said, "You are the Minister of Labour?" So, you see, it does not take much to bring you down to earth very quickly.

**Mr. Lewis:** It happens to me every day.

**Hon. Mr. Carton:** In any event, I will say that I do not think one could not do much more than I have tried to do in the past three months, but perhaps it is because I have so much to learn that I am looking forward to participating in the discussions in this committee.

**Mr. Chairman:** Mr. De Monte.

**Mr. De Monte:** Mr. Chairman, before I make my opening remarks, I would like to congratulate the minister on his appointment. I know he will bring all he can to bear on the department and improve it all he can; I wish him Godspeed and good luck in his portfolio. And if there are any cuts and thrusts in here today, I hope he will take it in the measure that we are trying to improve both his department and the labour field in Ontario in general.

Mr. Chairman, I intend to touch only on two topics in these brief opening remarks. I want to keep them brief, because as the



Chairman said we have 10 hours available and perhaps that is not too much time.

**Mr. Chairman:** Ten hours in House time.

**Mr. De Monte:** Ten hours at any rate. I would rather give over most of the time to short questions and exchanges in dialogue.

I considered and rejected making opening comments on various themes associated with the Ontario Human Rights Commission, on automation, on rationalization and many other problems that confront the labour force of our province, but I am not going to mention them in my opening speech. Not because my interest has waned in these matters, but because there is real danger that you might do them to death in an opening speech and forget about them in the estimates.

It seems to me then that the transfer of the Energy Board from The Department of Energy and Resources Management to Labour would afford the occasion for a useful if brief examination of some aspects of fuel safety; after which, I want to go into my main theme, which is the four-day week and how it might be implemented in Ontario. As I have said before, I am only going to make brief comments on these aspects.

I am advised that the energy branch has not had much of an examination by any of us for several years, and so it is with pleasure that I report upon the co-operation of the staff engineer of the fuel safety section, Mr. Smith, who has been most helpful in assisting the opposition office staff in their inquiries.

One learns with horror that it is still possible for a woman to burn to death through ignorance of the essential properties of gasoline. In the case in question, the woman was dry-cleaning at home by partially filling a built-in bathtub with gasoline. She also had an open flame space heater in the kitchen. The accident that resulted would seem obvious and inevitable to most of us, but it is quite clear that a good many people still need to be educated in the basic rules of safety and the elementary properties of matter.

It so happens that the responsibility for this function is now in the hands of this minister, and if members will turn to page 179 of their estimate books, they will see that the total item under this heading is only \$842,700 and there is no specific provision for an educational programme within the branch at all.

This relatively small item has tended to be passed by with the minimum of discussion

year after year while we all concentrated on the OWRC, Hydro and other departments. But now that it is in this new context, alongside uniform building standards on the one hand and industrial and construction safety on the other, it is clear that here is where it belonged all along, and perhaps it might not have been so readily overlooked had it been considered within the safety and technical services programme of The Department of Labour from the start.

I am quite sure we shall all have a lot to say under vote 1002 regarding these other matters, which are industrial and construction safety and the progress toward a uniform building code, but this is item of fuel education has never had the treatment it deserves.

Perhaps the minister will therefore explain for the record just what the responsibilities and duties are of the six technical supervisors in charge of, respectively, natural gas, propane, fuel oil, gasoline, training and certification and appliance approvals. Perhaps he will explain the relationship of his department to the Canadian Standards Association, CSA approval, Underwriters' Laboratories of Canada and the Canadian Gas Association. How does the Underwriters' Laboratories Incorporated fit into the labelling picture? Who sets up the specifications, say for natural gas stoves, which the minister is then asked to approve? How often are these specifications revised in the light of changing technology?

For example, we understand that a not insignificant number of people are moving out into rural areas from the city and the suburbs, moving perhaps into 10-acre lots which were subdivided before the imposition of subdivision control. Consequently, the demand for propane is rising at an appreciable rate, not only for industrial use but for domestic use.

Now I am told there is a real danger that these people will take out with them natural gas appliances which they already own, and that they will connect them to propane supplies in the country. Now surely it is impossible to police the safety of these re-installations with the very small staff that exists for propane inspection? How does the minister cope with this? Is it not necessary for the propane supplier to assume some responsibility for the safety of the installation which he supplies? How well is this responsibility carried out? In other words, how good a citizen is your average propane

franchise holder, operating as he does in the almost virtual absence of supervision?

Then there is a growing army of recreational vehicles of all kinds, and more and more of these have propane heaters, stoves and refrigerators. What inspection is possible with such a mobile and transient fleet? What about the growing number of mobile homes and the municipal services that must attend them, if in fact their fire risk is greater because of lack of supervision and inspection possibilities—not, I hasten to add, because of any dereliction of duty on the part of the tiny staff but because all of Ontario is now their clearly unworkable territory.

I understand that because propane refrigerators used during the summer season in cottages are allowed to stand idle during the winter, a chemical reaction takes place in the flue, and that several deaths occur each spring because people light them up again on returning to the cottage and are then overcome by deadly carbon monoxide. Until I had looked into this, I really knew nothing about it. Surely a programme of education in camping journals and country newspapers is in order to prevent these needless deaths? Is the problem one on such a scale as to call for a mandatory propane refrigerator inspection every spring?

And if so, who is going to carry it out; the government or the industry which supplies the fuel?

Turning now to gasoline, there has been a rash of scare stories, which we are reporting this evening in the consumer affairs debate—vote 604 upstairs—regarding the safety of Coleman and similar stoves which use non-leaded gasolines and isosol-type fuels with low flash points. As we will show upstairs, some of these stories were deliberately planted by the propane-stove competition to Coleman and constituted unfair trade practices.

That is the old technique of switch selling. They advertise a product at a very low price, you go to get it and then they say they have not got it. They run down the product that they were supposed to be selling at a low price and try to pawn off another type of unit on you.

I think that is unfair, and of course we will bring that out upstairs. Have there been any deaths as a result of Coleman-type stoves or lanterns flaming up or exploding in tents or other confined spaces, and have these come to the minister's attention as possible ground for action?

I understand this has not happened in connection with Coleman lamps and stoves but it has happened in connection with these other ones that they are trying to sell.

There seems to have been more laxity of late at gas stations regarding the enforcement of the regulation regarding turning off the car engine while refuelling, and particularly in regard to smoking in the vicinity of the pumps. Again, I understand the shortage of departmental staff makes enforcement very difficult. However the situation has been aggravated by the fact that some gas stations at least, now sell lead-free gasolines from the same pump islands; and as the minister knows some of these are more highly volatile than others. That is what I understand. So much so that anti-knock ingredients have to be added by manufacturers to prevent premature ignition of the fuel.

Unless all the operators at the four corners of an intersection are equally vigilant in policing their own safety operations at the pumps, some day soon we are going to have a major disaster, similar to the one which occurred in Bristol, England, some years ago, when a whole neighbourhood was devastated.

The fear is, apparently, that a rebuke from a gas station operator will send his smoking customer on his way, across the street to the competitor. Rather than lose business, operators seem to be getting very lax these days, allowing driver and passengers to continue smoking while their attendants refuel the cars. Again a strong public warning from the minister is surely in order.

Those are the basic things I have to say about fuel safety, Mr. Chairman, and I would like now to turn to the subject of the four-day week.

There are a number of ways of looking at the question of the four-day week, and the danger is that in the present climate of unemployment we tend to ask the wrong question: Namely, would a shorter work week alleviate the unemployment situation? I suggest that what we ought to be doing instead is asking the broader question of whether the four-day week ought to be introduced as part of the long climb from slavery to decent working conditions; and from employees and employers at each other's throats to industrial harmony and co-operation.

Viewed in this light, the four-day week assumes a new significance. It is obviously desirable from a human point of view. But when we look closely at the alternatives available to us, we see that they will have varying



effects on the economy and the art is to choose, and possibly only for a particular industry in each specific instance, the optimum pattern of work and play.

Basically then, there seems to be two different concepts. One would keep the same work week in terms of hours, but would reduce the number of days on which it is done. Such a redistribution of hours, say, to four consecutive days of 10 working hours each, has very little effect on altering the economy or upsetting the market pattern for a product, but it does have significant effects on the morale of the workers affected, for the better.

If, instead of three days off, these workers had four days off, then two complete crews could be used to man the same machines in two sets of 45 alternating weeks, each of four days, with five days a year devoted entirely to machine maintenance. However, then you would have an entirely different situation, in that you would almost double productivity and employment, which you could not do without fiscal and monetary control of the market, perhaps on a global scale, and certainly beyond the bounds of this jurisdiction.

On the other hand, reducing the number of hours worked in the week, so as to give four days or 32 hours of total work in a week for any one individual, would have significant and negative economic effects. For example, the four-day 32-hour week is presently practised at Southam Murray, a printing company in Weston. Men take the third day off on a rotating basis, with men on the night shifts always getting a long weekend. Every fifth week they have a four-day weekend. The plant operates five days a week, with the presses running 24 hours a day.

On the other hand, Data Business Forms of Malton runs a four-day, 40-hour week and here it has been estimated by the company that \$2,500 a week is saved by eliminating many press startups and shutdowns. The scheme has eliminated chronic lateness and absenteeism, and although there are no coffee breaks, employee morale was never higher than today.

By the end of a three-month trial period there had been no absenteeism due to employees taking Friday off because, of course, Friday is no longer a working day there. Employees have responded so well that the company has removed the time clock entirely and there is now a large backlog of skilled people who are seeking jobs with the company.

Studies show that the Data Business Forms' experience is general in all cases where the four-day 40-hour work week has been tried. Because people stay fresher, the amount and quality of production climbs, and management gets better performance from their employees. Machines run better in 10-hour stretches.

Top quality people line up for jobs; they are not presently unemployed but are working conventional firms which work Fridays. In other words, it is a very good thing for the workmen; they would like to work there.

Perhaps the biggest advantage is to the working mother who get three full days out of every seven with her children.

There are positive reasons for adopting a shorter work week, preferably of the four 10-hour day variety: decreased absenteeism; higher morale; recruiting advantages to firms; increased productivity; more efficient use of equipment; less start-up and close-down time; fewer breaks; lower light and power bills; savings to employees in commuter costs; savings in babysitting costs to working mothers; more time for mothers with their families; and they have had a chance to visit the doctor or dentist or lawyer without breaking into sick leave credits or sick pay.

"Lawyer" was not written in there, but I thought I would throw it in.

On the other hand, a four-day, 32-hour week is no panacea for the unemployment situation, and should not be regarded as such, since what it actually does is to produce underemployment in place of unemployment. Except for individual instances, and Southam Murray may be just such an exception, the economic effects are negative. If the same weekly rate of pay is maintained, the employee will then be getting 25 per cent more for every hour he works. In order for this to have a positive effect on the economy, productivity would have to rise by at least this amount and in fact it does not do so on the 32-hour week. The four-day 40-hour week does not have this disadvantage.

In broader sociological terms, Mr. Chairman, a temporary share-the-work policy may have something to be said for it, but in the longer term this is no answer, for in a dynamic economy there is not a fixed work pool but rather a work flow. The size of that flow depends on the volume of goods and services that people want and on the method adopted by the economy for satisfying their wants.

In recent years a further limiting factor on desirable growth has become strong; namely the ecological environmental factor. And this



will become even more important as people balance continued growth against the basic quality of life and probably elect to grow more slowly than in the heyday of the post-war boom as the price they are willing to pay for cleaner air and water and peace and quiet.

There is no close relationship between the length of the work week and the volume of unemployment and we are not to look for one. We have to think of this issue on its own merits. Up to now shorter hours have generally resulted from increased productivity and economic growth. They have not been the cause of it. Once we are clear that shorter hours per se neither increase productivity—except marginally because people are less fatigued—nor solve the unemployment problem; then we are on the right road to tackling the question on its own merits.

The threat of unemployment, and indeed its reality, can only be handled by increasing the effective demand for goods and services, as the shorter work week will only effect this insofar as it gives people an extra day to shop or more interest in recreational activity of the kind that invites increased consumption of goods and services. And then of course we get into the matter of Sunday closing where the exploitation of those who are left working during the leisure of the majority becomes a question of concern.

Mr. Chairman, I believe the time has come when we might engage in some fruitful discussion on some of the matters I have raised. I chose not to spend this time in spelling out Liberal policy in regard to more general labour matters, as the minister knows that I am on record in the Legislature this session in this regard to a great extent. Also, in the hope that the minister will be his usual co-operative self in the calm atmosphere which prevails down here, I have deliberately refrained from seeking out controversy for sensation's sake.

I know that my best response from the world of labour has come when I have made positive suggestions—for example in the area of caisson disease, and my colleague from Welland South (Mr. Haggerty) has always been listened to most attentively when he speaks on the topic of environmental health in relation to the industrial work force.

It is in this spirit, then, that we hope to conduct these estimates over the course of the next few days, and we hope that a significant dialogue will emerge which will advance the cause of industrial relations and the climate of labour policy in Ontario.

Thank you very much.

Mr. Chairman: Thank you, Mr. De Monte. Mr. Pilkey.

Mr. Pilkey: Mr. Chairman, I too want to congratulate the minister on his appointment and I trust that he will give the presentations of the opposition a useful hearing. Whether the government pretends to change any of the legislation as it reflects on labour or not, I trust he will at least give it some consideration.

I want to say at the outset that one of the prime problems that exists in the Province of Ontario at the moment is this whole question of plant shutdowns and closing of industry in general, and I might also say layoffs that occur as a result of the shutdowns and close-outs of these plants. Just the other day, in response to a question of the leader of the New Democratic Party, the minister did point out that there were some 70 plants that have indicated that they would shut down or close out, affecting hundreds and hundreds of employees in this province.

I do not have to remind the minister that this really produces a disaster to the employees, their families, and in many respects to the community itself. I also want to indicate that in my view—and I want to talk about that in a moment—that in my view the bill that was introduced by the government is having little effect in regard to the shutdown of plants in this province. I happen to think that the government are just going to have to do more in this area. We need to insist that the corporations make full financial disclosure and prove economic justification for their decisions, not only to the workers but to the government as well.

And the question of notifying the government is not enough, in my view. I happen to think that the corporation should at the very minimum give the workers six months' notice; and if it is not an organized plant then obviously the government are the ones that should be notified in any event. The whole theme of that kind of legislation, in my view, would be aimed at reducing the hardship that comes about, as a result of shutdown, on the employees. I happen to think that the government should facilitate retraining programmes as well; and we should also insist that employers provide adequate severance pay during the time that they are being relocated if that is necessary.

I might also make the observation that I am not convinced the corporations of this

province have not a responsibility for re-training, if necessary. I do not think this should be the sole responsibility in terms of the financial cost to the government either, and so I just think that this is a very critical area that needs to be dealt with with a great deal of courage on behalf of the government.

While I am making this statement, I just do not happen to think, either, that The Department of Labour, during this economic downturn that we have in the economy where there is mass unemployment, is doing enough to provide meaningful employment here in the Province of Ontario.

My good friend from Dovercourt (Mr. De Monte) has talked about reducing the work week, to four 10-hour days. Again, I want to suggest to him that he is asking this government to leap, and they have historically been known to crawl. They never leap!

But I do think that it is a legitimate suggestion to this government that it is about time that they reduced the work week from its present 48 hours under The Employment Standards Act, I believe, to a 40-hour work week.

That provision has been part of The Labour Act since I do not know when—I suppose since its inception—and they have seen no reason to change it to a 40-hour work week. I happen to think that would be the first step toward providing more employment opportunities for people in this province.

I also want to comment on the certification procedures that enable workers to organize in this province and again I want to go back to Bill 167, when the government initiated a 65 per cent sign-up of cards to achieve automatic certification.

I want to remind the minister that approximately one-third of the workers are organized in the Province of Ontario. In every other industrial jurisdiction in the world, other than this North American continent, there are anywhere from 70 to 75 per cent of the workers organized.

I just happen to think that if workers are going to enjoy the fruits of free collective bargaining, then we have got to give them a meaningful opportunity to organize. This 65 per cent that the government initiated during the discussion and the debates on Bill 167 is only going to retard, in my view, organizing of the unorganized.

We just have too many people, too many people who are not given their equity in this society as a result of not being able to organize. I would ask the minister to recom-

sider this whole question of allowing the workers to organize, and I want to suggest very frankly that it is my view that if 50 per cent plus one of the people indicate through a signing of cards—and they sign them and they are processed through the Labour Relations Board and they are found legitimate—that ought to be enough to certify that union.

There are many of us who sit in the Legislature with less than 50 per cent mandate from the ridings that we represent. It would appear to me that it is justification enough to have a great number of us sitting here with less than 50 per cent of the vote from our specific areas, so surely 50 per cent plus one ought to justify automatic certification of employees in their specific union?

I also want to make a few brief remarks on collective bargaining and in this regard, at the very outset, I want to agree with the minister when he said that strikes were much lower than they had been in several years. This is not what the propaganda boys were saying in the province. And I was very happy to see the deputy minister make a comment very recently—I think it was reported today or yesterday in the press—on industrial relations in the Province of Ontario.

But they would lead you to believe—all of these people who are pushing this propaganda all over the Province of Ontario—that there was industrial chaos in this province. I want to tell you that there are a number of problems but there just is not industrial chaos.

In 1969 we lost in excess of seven million mandays because of strikes; they predicted that in 1970 that would dramatically increase, when in fact it has not. As a matter of fact in 1970 the mandays lost—and these are your reports, not mine—were something like 2.5 million mandays lost as opposed to the seven million—

**Mr. De Monte:** With more mandays worked.

**Mr. Pilkey:** Right—as opposed to the seven million that the propagandists talk about here in the Province of Ontario.

I want to suggest to the minister that it seems to me that if these statements are not factual we should be making or providing the same kind of—I do not want to use the word propaganda—but we at least should be putting out the information to counter these people who are making these statements in the province.



In your statement alone you point out that in 1970 there were 2.5 million—I am just rounding the figures out—mandays lost as opposed to 5¼ million in 1969, so it demonstrates that there just is not industrial chaos. As a matter of fact in a statement that you put out on October 30, for the first nine months of 1970 there was a decrease of 72 per cent in mandays lost.

It just disturbs me when I read all of these statements that are being made to every service club and every chamber of commerce club across this province.

**Mr. De Monte:** Brain washing!

**Mr. Lewis:** Read out those names you have here.

**Mr. Pilkey:** Some of the people that are making them are: Mr. Riggan, who is the vice president of Noranda Mines; Mr. Clawson—this is the chap who was at the forum that the deputy minister attended—who is the vice president of the Steel Company of Canada; Mr. Machum, Algoma Steel; Mr. Powis, the president of Noranda Mines; Mr. Shepard, the chairman of Gulf Oil of Canada and Mr. Cheesman, president of Canadian Westinghouse.

You know it just disturbs me to read some of their speeches when they are filled with lies and half-truths about what is going on in the whole field of labour relations in the Province of Ontario. And as I said, I just happen to think that that propaganda has to be countered by The Department of Labour. You do not read anything about these people making statements that we lost 40 million mandays as a result of industrial accidents. They do not talk about that, or over 100 million mandays lost as a result of unemployment. They do not talk about those things. I just think that, as I said, that kind of propaganda should be countered by The Department of Labour.

The other thing as far as collective bargaining is concerned: the government, in the amended Act, talked about bargaining in good faith, but has neglected, in my opinion, to make it operative or enforce in law. You make a rather pious statement about bargaining in good faith and then that is just where it ends. I just happen to think that if the companies, the corporations, are not bargaining in good faith—and I want to say this too, that if the unions are not bargaining in good faith—then I happen to think that the government has to intervene. And if it

means processing it into the courts and charging them with a violation of The Labour Relations Act, I think that the government has to take that action too.

It is just happening in too many cases, where employers are not bargaining in good faith, they fail to make any kind of meaningful offer, they sit across from the union and when the union presents their demands they just say “no” to the demands. And there have been cases recently where the companies have offered a wage cut to the employees!

I just happen to think that if the government is going to make that term “bargaining in good faith” meaningful in terms of collective bargaining in this province then they have to enforce it, and that does not mean that we should not have a total commitment to free collective bargaining.

I happen to think that we should have. But I think that where the employer violates that section of the Act then the government has a legitimate right, if not an obligation, to step into that situation.

Also, I happen to think that the government should amend The Labour Relations Act in terms of giving every worker, irrespective of the type of work that he is doing, the right to free collective bargaining. I talk about, specifically, the agricultural workers, the security guards, who in a sense have not that opportunity. Very recently, as you know, the taxi drivers have not been given the same opportunity to free collective bargaining and I think that we have just got to amend the Act to give these people the right to organize and have access to free collective bargaining. And the government should amend the Act in that respect.

In addition to that, I think it is about time the government got around to implementing here in the Province of Ontario—and this may mean stepping out and being a first in this respect—but I think they have got to implement some of the recommendations of the Freedman report. That report talks about collective bargaining where there is a substantive technological change in the working conditions and the work environment of a specific industry; and where these technological changes take place during the life of a collective agreement then I think that they out to have a right to participate in meaningful, free collective bargaining in relation to those changes.

I think the government also has to take a look at the whole question of residual rights



of employers. What they are really saying is that the rights of the employees are contained in the collective bargaining agreement and every other right that is not mentioned in the agreement itself is the prerogative of the employer. Well, things change during the lifetime of any collective bargaining agreement, particularly if it is a long term agreement, and I look on a three-year agreement, as an example, as a long term agreement. As a result of that I think that unions should have a right to discuss these things and to negotiate them with the management.

Another item I wanted to talk about was one that has been advanced to this government over a great number of years and this is the whole question of union security. A good number of years ago, the late Ivan Rand came up with what was known in those days as the Rand formula, and it settled, as I recall, the Ford strike, and as a result of that decision of Chief Justice Rand at the time, it was implemented in many collective bargaining agreements across this province. But there are still employers—particularly in a first agreement—that resist this kind of union security, and resist it to the point that they are prepared to take a strike in that plant on the basis of union security.

I happen to think that surely this is a new, enlightened age in terms of industrial relations and we should not be faced with strikes on the basis of union security. A minimum union security should be the Rand formula, where an employee has to pay his dues even though he is not a member of the union. That is one of the reasons, obviously, I was more critical of the government's change allowing people to opt out for religious reasons.

But laying that aside for the moment, surely we should not be having strikes, in the Province of Ontario, when the employees are negotiating with their employer on union security and I think that this would have a tendency to eliminate some disputes and strikes that we are faced with at the moment.

I want also, very briefly, to make a few comments on workmen's compensation—for example where an employee is receiving compensation and his compensation is reduced to 50 or 25 per cent because his injury has reached the point that he can do light work, and the employer says, oh no, we have no light work; until you are 100 per cent capable of doing the job that you normally performed before the accident we are not taking you back. The compensation board says: Well the best we are going to do is give you a

temporary, partial disability benefit of 25 per cent.

What happens in many cases is that these people have to go down and apply for welfare, and then the cost is transferred from the employer to the general tax rate of the people of this province. And I just do not happen to think it is the responsibility of the people of the province to maintain this individual who found himself injured in an industrial accident; it is the responsibility of the employer and the system that they set up to compensate that employee through the Workmen's Compensation Board. Surely until the employer is prepared to take him back to work, or until the employee has found alternative employment, then it is the responsibility of the Workmen's Compensation Board to maintain his former rate.

I want to say also in this regard that in my view the compensation should relate to the earnings at the time of the industrial accident; there should be no ceiling in this regard. Surely an employee and his family should be able to maintain the same standard of living that he had prior to the industrial accident. I think that makes a lot of sense.

Why should his standard of living be reduced just because he had an industrial accident? It was no fault of his own. As a matter of fact, in many cases it could be the fault of the employer because of his shoddy way of handling industrial safety in his plant—and we will get to that during the estimates. But nevertheless it just appeared to me that the employee should be able to maintain the same standard of living that he had prior to the industrial accident.

I might also say in this regard that it seems ludicrous to me that there is a limit there of \$125 to the surviving spouse, just a minimum of standard of living, a far cry—

**Mr. De Monte:** Just what she would get under compensation if he was alive in most cases.

**Mr. Pilkey:** That could be. And \$50 for a child. Well, let us face it, how does a person support himself today on \$125 a month or \$50 for a child? Surely there is no one of us in this room who is raising children and would admit that he can support a child for \$50 a month. I just think that is impossible, yet that is the amount of money the compensation board allocates to a child.

Those are just a few things. We will get into more depth later on, but I thought that I should raise those anyway.

The other thing I would like to talk about is this whole question of the minimum wage and the \$1.65 that is in effect at the moment is obviously totally inadequate. I notice that the minister made a statement and I would like to put it on record.

Carton says he figures the \$1.65 minimum wage is about as good a level as possible, having regard to the general state of the economy and adds that he has no plans for raising it. "Certain people seem to feel that if an employer cannot afford to pay the minimum wage, he should not be in business, but I think it is a hell of an attitude," Carton says. "That employer could be running a struggling retail store. I do not want to force on him a minimum wage level he cannot afford."

Well, let us take a look at that statement just for a moment. What the minister is really saying is that the employees should subsidize that employer. That is what he is really saying, that he should subsidize the employer through inferior wages. Because that is what the employee is doing.

Surely in this enlightened age, the employee should not necessarily be subsidizing an employer because he is struggling. Surely in the year 1971 we should provide a minimum wage that provides a decent standard of living to the employee. And if we multiply 40 times \$1.65, \$66 a week is totally inadequate to maintain any kind of a standard of living and support a family.

I happen to think that we have to do something with the minimum wage. Even the federal jurisdiction are ahead of us now; they are up to \$1.75. Ontario struggles along with \$1.65, and the minister feels that is adequate. Well, it might be adequate for the minister, but it might not be so nice if a number of us were trying to maintain a family on \$1.65 an hour.

In addition, talking about subsidizing the employer, I understand there are certain exceptions in the minimum wage: One is that it does not come into effect until October 1, and particularly those who are going to be working in the tourist industry this summer are not going to get to \$1.65; they are going to remain at \$1.50. We are going to have a number of people working in the tourist industry, and this is going to be their income—particularly university students, to help them in their next university year.

I am not too sure that the tourist industry should be able to hire employees at \$1.50

an hour through this summer. And there was plenty of advance notice. What did the minister say in that regard? The former Minister of Labour (Mr. Bales) when he made the announcement in June, 1970, said this was "to give industry time to adjust to the new rates." Surely the tourist industry would have had time to adjust to those new rates since June, 1970. Why penalize those employees who are working in that industry?

It is a pretty big industry in the Province of Ontario now, and I am not saying we should not develop it. I happen to think we should; the tourist industry can be very helpful to Ontario's economy. But, by the same token, I happen to think that minimum wage should have been in effect for all employees right across this province irrespective of the type of industry they are working in. And I happen to think that there should be an immediate adjustment to the minimum wage so that people can have a decent standard of living.

I do not think we ought to provide any wage that keeps people below or on the poverty line that has been enunciated by the Economic Council of Canada.

The other thing is that—I want to get back just for a moment to this question of unemployment—I noticed in a headline recently that the government has said it is going to tighten the welfare to those under 18. Well, I am not going to argue that point, whether it should be or should not be, but by the same token if we are going to tighten up the welfare for these people under 18, then I think that the government has an obligation to find employment for these people.

Surely we cannot say on one hand that we are not going to provide welfare and on the other hand there is no employment for these young people. I happen to think it is a disgrace that in this province, the most affluent province in the Dominion of Canada, there are no jobs for these young people. That makes a pretty good political headline, about these kids, and everybody in the Province of Ontario says, "That is what we should do, tighten up on the welfare." But by the same token we do very little about finding employment for these young people.

The other day I picked up the newspaper to find out that—just to show you what the conditions are in the Province of Ontario in this whole area of unemployment—where some chap who came from Lebanon had made 462 job applications and could not find



any work. That just seems incredible to me. Here we are, as I said, in the most affluent province, and unemployment continues to rise, and this fellow says, "I am afraid I will have to go to Australia." Surely we can find employment for these young people as well as people who immigrate to this country.

Talking about that just for a moment too, there is another problem that in my view is becoming more prevalent as it relates to the immigrants to this country. And that is the whole question of contracting out. This government of the Province of Ontario has taken the lead in this area. You had approximately 900 employees in the cleaning of the buildings and you are now down, I believe, to 400 and something; the reason for it is that you contracted out that work.

Not only the government of the Province of Ontario, but a number of other businesses and establishments are contracting their work out. Why? Why are they contracting out? I will tell you. They are contracting it out because they say the administration costs go down and it is more efficient. Well, there is no question that the costs go down, because what happens is that when you are contracting this work out, the contractors who tender for that particular kind of work—it is a labour-intensive kind of work—are paying them the minimum wage. That is what they are doing. And they are laying off the people who had the work previously. I would hope for some of them at least that attrition took its toll and that people were not laid off.

There are a number of establishments where they contract work out and they are employing persons at the minimum wage. Immigrants to this country are particularly being exploited in the Province of Ontario as a result of that. It is also a result of the minimum wage that you have in effect, because they can hire them at that very cheap rate. As I said it is not just the government; there are many other establishments.

I want to suggest to the minister in this regard that it might be interesting to provide a fair wage schedule in the government service. Let them put a fair wage schedule for the employees of this government, so that when they contract out, if that is so necessary in terms of efficiency, at least the contractor will not be able to bid for that work at the minimum wage rate. There will be a fair wage schedule in effect and, as a result of that, they will get no advantage in terms of wages.

I happen to think that the government should even look at some legislation for work-

ers who are being exploited here in the Province of Ontario. I think the minister may have even used the term "exploited" some place—I just do not know where it was—but in this report that he put out I think he talked about the workers being exploited. We will get to that nevertheless. I think if he is really sincere about stopping the exploitation of workers in this province, he has to raise the minimum wage and he has to take a good look at this whole question of contracting out.

I also wanted to make a brief comment on the question—and before I make my comments, I want to say to the minister that he did say that the Compensation Board and the Labour Relations Board would not be affected by the new legislation introduced by the government. But, let me tell you, we have a great concern about this whole question of the Labour Relations Board and the Workmen's Compensation Board coming under review by the courts—where people are injured by delay in court proceedings and you have a battery of lawyers challenging every decision.

In addition to that, I do not have to tell you that the situation in Metropolitan Life—the deputy minister knows about that—the government did amend the legislation in a hurry to cover that situation. But that was in the courts for two and a half years and it just was not necessary for that kind of a delay, where individuals indicated that they wanted to join a union of their choice. Yet, nevertheless, it was tied up in the courts.

Regardless of the pros and cons of an individual situation we should be very careful that we maintain the kind of privative clauses that are in those Acts, and that they not become subject to court review; because I am telling you that if that comes about there are many people who are going to suffer as a result of these court reviews. You know too that many of these things came about because the law of the jungle was in effect. They settled those things, in confrontations between the employees and the employers; so the government designed orderly legislation to review the question of certification, arbitration and all of these things.

I want to suggest to you that I would think, if all of these things become subject to the review of the courts, and the employers find their way into the courts, that we are going right back to where we started, right in the very beginning. We are going to have a law of the jungle, because the employees are just not going to take the lengthy delays that



will come about as a result of court delay. I just bring that to your attention. You did indicate to me, as did the deputy minister, that this would not be applicable, but nevertheless it could be, and I think you should take immediate action to see that it is not.

I wanted to conclude by saying that, as with the independent taxi drivers who could not be organized, I also think—and I understand that you have this under review—that employees who are working on a commission who are denied vacation pay, just because they work for an employer on a commission, they should receive all the rights under The Labour Relations Act, The Employment Standards Act, vacation with pay and any other Act that might be relevant to those who are on an hourly rate or on salary. This whole question of paying a person a commission and being able to opt out from one's obligation does not seem to me to be fair to those employees, I think that kind of thing should be covered as well.

**Mr. Chairman:** Thank you, Mr. Pilkey. Does the minister have any general comments on the points raised?

**Hon. Mr. Carton:** No, I think they will come up in the course of the next few days.

On vote 1001:

**Mr. Chairman:** Any more general comments on the main office?

**Mr. De Monte:** I have a question to ask in connection with the question raised by the hon. member for Oshawa in connection with the review by the courts of some of the decisions of the boards. Has the minister taken into cognizance Mr. Justice McRuer's remarks in connection with some of the decisions that might be ultra vires now at the Workmen's Compensation Board?

I wonder whether the minister has looked at that whole aspect of what Mr. Justice McRuer saw in the adversary system that is in effect down there, and I think I explained it fairly thoroughly in the House when I spoke on this matter. I am wondering what does the minister think of Mr. Justice McRuer's opinion that perhaps all decisions under their actual board level may be ultra vires of the board, in view of the fact that the Act clearly states the only body that has any jurisdiction is the Workmen's Compensation Board itself.

**Hon. Mr. Carton:** Mr. Chairman, I am not so sure that Mr. McRuer went that far, but

we are studying his final report. It is my understanding that the present legislation that is in the House now was made before the final report came out and there he dealt with the Workmen's Compensation Board and the Labour Relations Board separately. That is my understanding. And they are not affected by the present legislation.

**Mr. De Monte:** I see.

**Hon. Mr. Carton:** But we are studying it.

**Mr. De Monte:** Does the minister feel that perhaps there may have been some ultra vires decisions made by the appeals tribunal, or the review committee?

**Hon. Mr. Carton:** No, I am not saying that, Mr. Chairman. All I am saying is that we are studying his final report.

**Mr. De Monte:** On the question of the Freedman report: Is the minister and his department looking into the whole question of the 76 firms, I think, that have closed or are about to close down? Firstly, is he looking into the reasons for the closedowns; and if he has any control over these firms that are just opting out and going to the United States and shipping back the product that is produced down there? They are thereby throwing people in Ontario onto the welfare rolls while the parent corporation is just making the product in the United States and shipping it to Ontario.

I notice that the piano company out in Scarborough, Mason and Risch, has done that exactly. They have phased out their operation there—

**Mr. Chairman:** Of course, that should be under vote 1003.

**Mr. De Monte:** It should be, perhaps, under research. Has the minister done any research into these plants that are closing down and ascertaining whether they are actually losing money or whether they are merely rationalizing their production to another place outside of Canada, or outside the province, at a greater profit and shipping it in and throwing people in Ontario out of work? I think that is a very, very crucial problem and I do not think we are going to solve it unless we do some in-depth studies about what is going on.

I notice that we have an industrial inquiry commission. Perhaps this might be used to some advantage to find out what in the world is going on with all these closedowns.

**Mr. Chairman:** I wonder, Mr. De Monte, if we cannot deal with it item by item on the first vote? It is a matter of settling the main office first. Mr. Deans is on the main office, is he?

**Mr. I. Deans (Wentworth):** Yes. I wanted to ask the minister if he can tell me what the office of the executive director of Manpower services is all about?

**Hon. Mr. Carton:** There is a special section on that. If we deal with these section by section, when we get to the office of the executive director of Manpower—

**Mr. Deans:** Oh, I am sorry. I thought when you said main office you were talking about—

**Hon. Mr. Carton:** No, it is 1001, and then it is broken down into main office, information services, et cetera.

**Mr. Chairman:** Any more comments on main office? Carried?

Main office agreed to.

**Mr. Chairman:** Item 2, legal services?

**Mr. De Monte:** Yes, what type of legal services? Are these legal services paid for outside the department, or is this for a legal branch within the department?

**Hon. Mr. Carton:** This is a legal branch within the department, and they, for example, provide draft legislation they would submit to the legislative counsel, they would advise the different branches whether or not they were operating within their Acts, whether they could lay charges. They do outside things like appearing in coroners' hearings, et cetera. It is all done within the branch. I think last year, if I remember correctly, there would be about \$8,000 legal fees outside the branch for this whole department. That involved about 40 cases so it would average out to about \$200 a piece.

**Mr. De Monte:** How many lawyers do you have?

**Hon. Mr. Carton:** The staff on this is 10. We have four solicitors and the head of the department, Paul Hess; one investigator and four stenographers, a total complement of 10.

**Mr. De Monte:** That is sufficient.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Yes, Mr. Chairman, the minister mentioned an investigator. I wonder,

do they deal with, say, plant closing? The number of plants that go bankrupt and things like this?

**Hon. Mr. Carton:** No.

**Mr. Haggerty:** They do not. Where would this show the amount?

**Hon. Mr. Carton:** We are under the legal department now. What you are talking about would come under vote 1006, which is employment standards, when we will deal with the whole problem of plant closings.

**Mr. Chairman:** Any more comments on legal services? Research? Labour safety council?

**Mr. Haggerty:** What does research cover here now? This deals with labour safety council?

**Mr. Chairman:** Labour safety council is the next section. You asked your question on what does research deal with.

**Hon. Mr. Carton:** On page five of this book, which is a breakdown, there is a whole list of material and documents and papers that the research branch have done over the past year which would give you an example of what their work is.

Basically they do the statistical work and the analyses for our existing programmes, perhaps determine what may be needed in future programmes. They have two libraries, one which they utilize for both management and labour when they require assistance. They have a collective agreements library which is well utilized by the Ontario Labour Relations Board and other people who are dealing with this type.

**Mr. Pilkey:** Do we provide through the department any grants for research?

**Hon. Mr. Carton:** There are some grants for research, yes, and there is a list of them, I believe—

**Mr. Pilkey:** I saw those things for research but were there any grants?

**Hon. Mr. Carton:** These are four special studies that are done, Mr. Pilkey. Is this what you were inquiring about under the research?

**Mr. Pilkey:** Well, I understand that you do, you know, research, I read that in the book. But I am wondering if you give any grants through your department to other organizations for labour research?



**Mr. Chairman:** Universities, that kind of thing.

**Hon. Mr. Carton:** Well on page 14, for example, we have the adult occupational training structures which was done by a Dr. Dupres at the University of Toronto and Dr. McKechnie, York University. We had research on the development of occupational groups among hospital para-medical personnel, done by an outside branch.

A York University professor and a professor from the University of Windsor, did a paper on the theoretical aspects of severance pay.

There was a union membership leadership interaction during negotiations paper done by a gentleman from the University of Toronto.

Basically they are done by University of Toronto or York University people. In addition there are grants that are paid to the universities. There was \$10,000 to the industrial relations centre, Queen's University; \$3,000 to the University of Toronto; \$1,000 to the University of Western Ontario, and \$1,000 to York University.

**Mr. Pilkey:** These papers that you get, are they available? Or are they confidential government documents?

**Hon. Mr. Carton:** There is a list in here of the ones that are available. Some of them presently are not finished. Have you looked on page five of the book, Mr. Pilkey? There is a list of the ones that are available.

**Mr. B. Newman** (Windsor-Walkerville): Is there any use made of the materials that have been researched? Do you put it to any use at all or are they just make-work programmes?

**Hon. Mr. Carton:** Oh no, they are very much put to use. For example, there are some of our existing programmes, and I will use one, the study of the minimum wage and the impact of the minimum-wage legislation. This will definitely be put to use.

**Mr. B. Newman:** All right. Other than that, Mr. Minister, can you name some others that have actually been put to practical use by the department? You made mention of one on severance pay conducted by some professor at the University of Windsor. What conclusions have you drawn, and have you put that to any practical use other than simply providing some university professor with a little vacation money?

**Hon. Mr. Carton:** I cannot answer that particular one, but they would be put to use in the way of developing new policies—

**Mr. B. Newman:** I am not opposed to any type of research, you know, if it is going to come along and be of some benefit to your department and to the working man; but if it is simply research for the sake of research, then I am afraid we might get into an OISE approach.

**Hon. Mr. Carton:** Well, for example, the collective bargaining provisions in a certain industry: this would be utilized by both union and management. They would go down to the library and utilize them.

**Mr. B. Newman:** Well, several years ago I brought up the idea of equality of pay of the Americans and the Canadians. That is back maybe three years before this had actually come into practice. Now I would have assumed that your department would have studied the economic impact of that, or they should have studied the economic impact. I have never heard anything from the department as to any benefits as a result of that, or maybe some of the adverse effects that could materialize as a result of wage parity.

**Hon. Mr. Carton:** We did some internal papers on that, but that would be for the purposes of our own studies and our own—

**Mr. De Monte:** Mr. Chairman, has the minister considered—

**Mr. Chairman:** Will you wait, please, until the answer is placed.

**Hon. Mr. Carton:** There is one. Is this the one you are referring to, Mr. Newman? The Canada and United States Wage Parity in September of 1968?

**Mr. B. Newman:** Right. That is it.

**Hon. Mr. Carton:** That is in print and can be obtained and I am sure is being utilized.

**Mr. B. Newman:** Well, I will ask the minister to provide me with a copy of that at some time in the future.

Now, there was a—it does not come to my mind but as someone else takes over, it will probably come to my mind—it is one of the studies that I thought should have been undertaken. It slips me now; I had it just before, so I will pass right now, Mr. Chairman.



Mr. Chairman: Mr. De Monte.

Mr. De Monte: Mr. Chairman, in connection with research—and I see that the minister has a paper on the parity between the Canadian and American auto workers perhaps—the minister done any research to ascertain what economic impact there would be with parity?

Would it cause a definite reduction in the work force in Canada if we have parity with the United States or any other country, has that been looked into?

Hon. Mr. Carton: It is my understanding that this would be the purpose of the paper and that paper would relate this.

Mr. De Monte: It is in the paper? Can I have a copy of that paper?

Mr. Chairman: Mr. Deans.

Mr. Deans: I want to ask you something about research and it ties in very much with retraining. What is being done in the department at the moment with regard to the determination of job redundancy, of jobs being phased out, and occupations being phased out, and of the changing face of the employment market that will enable us to bring about some proper retraining programmes that will ensure that there will be, indeed, jobs for people when they become available? Also, what about jobs for those who presently are finding it very difficult to find employment simply because there has not been any clear picture of the change in the whole work force and the work place? What research is presently being conducted in that regard?

Hon. Mr. Carton: Mr. Chairman, there are some studies being done. For example, I think you would find these pertinent, Mr. Deans. A study of the Ontario labour market which was done by the Centre for Industrial Relations by the University of Toronto. There was another one, the completion of the report on the keep pace programmes sponsored by the plumbers union and the UCA. There is another on the mechanical contracting industry which is a survey of tradesmen and apprentices and there is one on the electrical study this summer which I—

Mr. Deans: Let me ask you, does the research department do all of the research for the entire Department of Labour?

Hon. Mr. Carton: Yes, it does.

Mr. Deans: What research has it done into the whole programme that is put forward by the Workmen's Compensation Board, for example, in the field of retraining to determine the suitability of the training that is given in the actual job market to try to help people who obviously do not have the kinds of qualifications that fit them readily into the market—

Mr. Chairman: I think, Mr. Deans, you are talking about the rehabilitation programme.

Mr. Deans: No, I am not, because the rehabilitation programme ought to be the result of the research, if you follow me. In order for the rehabilitation programme to be successful, the research must be done in the first instance.

It strikes me that the rehabilitation and manpower programmes that we have in the Province of Ontario can only be as disastrous as they are because the research has not been done. It is that I am trying to zero in on. There obviously is something lacking in the kind of research that is being done and the direction of the research in the department in order that we can make good use of it to plan, not only for the people who are presently requiring jobs, but for people who will be coming on to the work force either fully qualified to do something for which there is no calling, or having lost some of the skills that they previously had, or some of the capabilities they previously had, without any knowledge of what then is available for them to do.

I was wondering what kind of specific research is done by this department, through this particular section, to determine what is required in the way of training for people who have physical disabilities. What kind of research is being done by the department to determine what kinds of training programmes are required under government auspices to fit people with limited education into the work force, and what kind of training programmes are being undertaken, or what kind of research programme is now being undertaken to assess jobs that are now going out of existence because of changes in technology and what has to be done with the people who presently rely entirely on those jobs for their source of income? What do we then provide for them to get them back into the work force and to get them back into production?

It seems that we are not looking really far enough ahead, from what I can tell. I think that this is evident in the unemployment that

we are now facing and evident in the numbers of people who have been under Workmen's Compensation, for example, and who are now finding themselves on welfare, because there are not any jobs for them, because the programmes that are available are in many ways not suited to the changing technological society. What kind of research is being done in these fields?

**Hon. Mr. Carton:** Other than what is in the book here in print or currently being done, I am not personally aware of, but I can ask Mr. Kinley if he would answer that, please.

**Mr. J. R. Kinley (Director of Research):** Well, sir, we have not done any research specifically directed at the problem of rehabilitation. As a matter of fact, we are not normally involved in servicing the problems of the Compensation Board directly. We have done a fair amount of work in past years to indicate what types of training, or what occupational training, might be appropriate and we have done work more recently on specific training projects, as to the effects of those training projects. This is evaluative work and I would say that pretty well covers the area or the work we have done in that area.

**Mr. Deans:** It may be a bad time in the economy of the province to discuss it, because there are many other factors that relate to the current unemployment, but to a great extent the unemployment hits the hardest at those people with limited education and with limited skills. It would seem to me that the government ought to be involved in an ongoing research programme that will determine what must be done, both in work retraining and also in the field of training in general, for people with limited skills in order that, at times like this, they are not so hard hit. They seem to be the ones who bear the brunt over and over and over again. What kind of research programme are you prepared to undertake at this point to ensure that over the next five or six years we are not continually facing the same situation we are presently facing with the people with the lesser skills getting no opportunity for employment.

**Hon. Mr. Carton:** I notice there is one current study that is coming out shortly: "Characteristics of graduates and drop-outs from government-sponsored on-the-job training programmes." Is this along the lines that you mean?

**Mr. Deans:** Yes. Having done it, the point is that if you do the research and have decided that people with a grade 2 education have a difficult time getting jobs, what then do you recommend from the research that you do, to whom do you recommend it, and what kind of follow-up is there? Does the research branch give it to the minister, for example, any say that this is what we have discovered in this particular area and these are the recommendations that we make? Does the minister then forward concrete recommendations to the appropriate departments to deal with the retraining that is required?

**Mr. T. M. Eberlee (Deputy Minister):** I think we should explain that we are part really of a three-way partnership in this whole field. There is the federal Department of Manpower and Immigration—

**Mr. Deans:** You cannot really deal with them here.

**Mr. Eberlee:** —which has very extensive research facilities and which is one of our partners in the whole training field. There is also The Department of Education, and at various levels, we are in research partnerships with these other two agencies. We are in quite extensively with the federal Department of Manpower and Immigration on a federal-provincial basis with other provinces also co-operating. We have a number of projects going on there, so that when a particular project is concluded, the results of that project are fed to the agency that has that piece of the training action.

For example, our study on the mechanical contracting industry—what is happening now to occupations in that industry and what is likely to happen—goes to our own industry training branch so that the apprenticeship training programme can be redesigned. It is redesigned, of course, in consultation with the provincial advisory committee that represents management and labour in the industry and so on. There are a great many inputs that go into the thing.

**Mr. Deans:** Would it be possible for you to give me an example of the results of research that has been done into the educational requirements and the abilities of people to fit into specific jobs, both in the immediate present and in the future?

**Mr. Eberlee:** In our own—

**Mr. Deans:** Is it possible to see what actually happens?



**Mr. Eberlee:** Yes. Perhaps this particular item should wait for the industrial training branch because the director of that branch is not here yet, since his vote comes up later. But the automotive mechanics field was recently reformed completely. The apprenticeship programme was completely changed within the last two years and that was done on the basis of the studies of what was developing in the way of requirements for skills and for knowledge and how the trades were becoming more and more specialized, and so forth. Our own branch had an input into that particular study.

**Mr. Deans:** Let me ask you—

**Mr. Eberlee:** We are not doing this on a broad, general basis up here; we are trying to relate it to specific needs as we see them in the labour line.

**Mr. Deans:** Well let me ask you something. When it becomes apparent in certain areas the major employer is either in a competitive situation and that he is no longer able or likely to be phasing out over some period of time, what kind of research is done at that point to decide what can be done by this government through The Department of Labour to slow up the unemployment situation? and what then happens to it?

I mean do you, for example, do research which leads you to believe that it is necessary, because of statistics available, to alter the economic mix in an area, in terms of employment mix? And do you then go ahead and make recommendations to other departments about the advisability of encouraging a different kind of industrial effort in that area to take up the slack that is obvious to everyone—the slack that is obvious either now or developing?

**Mr. Eberlee:** I do not think—answering your question specifically and directly—I do not think it could be said that we are into that kind of research at this point. I do not know of anyone who is.

**Mr. Deans:** I do not either.

**Mr. Eberlee:** Our problems are generally of a pretty short-term variety. The problem is one of a plant closure which happens now, is about to happen say within the next six months, and what are you going to do with those people; also, what are the immediate openings available to those people within an area they are going to be prepared to travel in, without having to move them to some

other part of the province, or some other part of the country. And these requirements, these immediate requirements, these openings, are of course known and the information is available from the Canada Manpower centres. In that area we work very closely with them.

**Mr. Deans:** Are there discussions carried on between whoever is responsible for the research and the distribution of the research and the recommendations between that person or this department and, let us say, The Department of Trade and Development who are in the process of attempting to lure, through one means or another, industrial development into certain areas?

I mean, do you carry out some research that will lead you to believe and to substantiate that the kind of industry that is being lured into that area will indeed meet the need? Is that kind of research done?

**Mr. Eberlee:** Maybe if I could take myself off the hook.

**Mr. Kinley:** There is research of that nature done. As I understand your question, sir, you are zeroing in pretty closely on the layoff legislation.

**Mr. Deans:** That is right.

**Mr. Kinley:** And I do not know whether we are supposed to respond to that one, but there is a co-ordination between ourselves, the Trade and Development people, and so on, but I am sure you are aware that it is not very easy to find the right employer to put in the right slot just at every moment.

**Mr. Deans:** You would agree—

Interjection by an hon. member.

**Mr. Deans:** Well, wait a minute.

You would agree with me, I am sure, that it is possible in some instances to predict the gradual phasing out of operations in locations. It becomes evident in instances in parts of northern Ontario, for example, that there is going to be phasing-out of a mine that is no longer productive. It becomes evident—

**Mr. Eberlee:** It is easy to—

**Mr. Deans:** Yes, I know, but what I am—believe me, it is research.

**Mr. Eberlee:** I know.

**Mr. Deans:** You know, it is research. I am just trying to say that it is evident that these



things will happen and you can choose any place you like.

Now once that is evident, it is pretty obvious then that some degree of specific research is required, into the skills of the people, into the numbers of people, into the employment possibilities—and I am curious to know the kind of research done by this department—what happens to the conclusions, and who in the department does it. Is it all farmed out, you know, to other organizations, or do you hire within the department researchers who are working full-time on doing specific research projects as directed by the government?

**Mr. Eberlee:** The department's research branch has a staff of professional people qualified to carry out the kinds of studies you were mentioning. There is no doubt about it, we could do that kind of study, but the circumstances have not arisen where it was necessary or seemingly advisable to carry out that kind of study. Let us talk about the closure of a mine in Northern Ontario—

**Mr. Deans:** Well, I just chose that as an example. I might have chosen Massey-Ferguson in Brantford.

**Mr. Eberlee:** In a general way, that sort of closure can be dealt with, because there are openings for miners in other parts of northern Ontario.

**Mr. Deans:** Oh, yes, but the town itself disappears. I mean surely the maintenance of the municipality is important, too, in any research project, in any decision as to whether or not there will be something done to try to stimulate that economy. We might talk of Massey-Ferguson rather than a mine, you know.

It has been evident that for a number of years the farm implement industry has been in difficulty. What research has been done by the department to determine what kind of suitable substitute can be brought into the area, and what research has been done in regard to what kind of retraining will be required for employees trained in those specific tasks to fit into what might well take its place?

**Mr. Eberlee:** Again that is not another area where we are engaged at the present time. Our resources are committed to things which seem to be of immediate urgency.

**Mr. Deans:** Believe me that—

**Mr. Eberlee:** The prospects—this of course is not a matter of urgency—but the prospects for such a closedown are rather far in the future, I should think.

**Mr. Deans:** But by the time we get to the year in which it happens it will be immediate and nothing will have been done because the research, in order to be effective, and any changes that are going to be made, obviously have to be done sometime in advance in order to meet the situation when it arises.

**Mr. De Monte:** Well, Mr. Chairman, I think the minister is cognizant of the fact that there is quite a bit of rationalization and automation going on; and it is also quite evident that there were 70 or 76 closures in Ontario, either projected or possibly already closed down. Has there been any research to find out why these plants are closing down?

**Mr. Carton:** You mean the immediate—

**Mr. De Monte:** Just a moment, it is part of the whole question of people becoming redundant in their jobs; their jobs disappearing. I am wondering, has the research department done anything on the rationalization of production, and the automation of plants which by their very essence are going to put people out of work? And that is not necessarily connected with the current economic conditions.

**Hon. Mr. Carton:** I think you have hit the nail on the head. I do not think the present plant terminations and closures are as related to automation as they are to economic—

**Mr. De Monte:** Well, I notice, Mr. Chairman, the minister says: "I do not think." That is the problem. We do not really know why these plant closures took place. We certainly do not know why Dunlop took place. We certainly are cognizant of the fact that the tube production in General Electric has almost completely gone out of existence. And of course the reasons are apparent—they are using different techniques.

A lot of the production is going to parent plants in other parts of the world and we are importing the tube that we were producing here five years ago.

So I am saying that perhaps meaningful research would entail looking at the whole picture in considering rationalization, automation, redundancy of a product, the production of another product which replaces one product, Perhaps if we were to look at research

from that point of view over a long term, over 10 years, for instance, perhaps we are not allotting enough money to this very important aspect of the department, but I am saying 76 closures—with respect, the minister says he does not think the closures are a result of automation or rationalization.

But I think we should look more closely at the whole economy and perhaps have more liaison with the industrial plants to find out what is going to be redundant.

I notice in connection with General Electric—if the research had been done we would have found out they were going to phase out their tube productions. It was apparent—I have one plant in my riding and another plant just outside my riding, and of course they closed down the tube productions. It took 10 or 12 years but it closed down, and thousands of jobs were made redundant.

I just want to mention another aspect of some research that might be done. Has any research been done in in-plant environmental disease and in-plant environmental control? In-plant conditions can cause quite serious disease. I am wondering, is the research department looking into this very important aspect of industrial plants as it relates to in-plant pollution?

**Hon. Mr. Carton:** I think the occupational health safety department of The Department of Health would be looking into that. To me it would not relate to our particular department.

**Mr. De Monte:** I understand from my friend from Welland South there is not too much being done in the health department. I am wondering, and I would like to ask the minister, if he would look into the concept, and perhaps the research department could also go into industrial disease and industrial in-plant pollution.

**Mr. Haggerty:** They do not have sufficient helpers to really get into it. There are 52 employees for all the Province of Ontario. That includes administration staff.

**Hon. Mr. Carton:** In the occupational health branch.

**Mr. Haggerty:** That is right.

**Mr. De Monte:** We might even look at the iron ore mining industry. If we do not do research very quickly we are going to lose a lot of the iron ore mining in Ontario. We are going to lose about 1,500 jobs if we do not smarten up very quickly.

**Mr. Haggerty:** Within five years.

**Mr. De Monte:** Within five years, I understand. These are things that we should be able to do in liaison with the industrialists and find out why they are being phased out. Is it because we need another plant there? Or a primary producer of iron and steel right close to the ore body? I understand now it is cheaper to bring in iron ore from the Mesabi Range, even though it is a poor quality iron ore.

This type of research, I think, on a long term, would give us a proper picture, so we would be able to counteract the forces that are taking place and destroying jobs in Ontario.

I think if it is going to be meaningful we are going to have to get down and, not only plan on the short term, we have to plan on the long term. I submit with respect that although we are spending about \$621,000, only \$15,000 is really allotted to research.

**Mr. Haggerty:** And \$16,000 in the next vote is going to safety—\$1,000 is for research grants. A total of \$16,000.

**Mr. De Monte:** Sixteen thousand dollars is allotted to objective research. Where the man is not involved he can look at it objectively and come up with an objective report. I think that perhaps we might in the very near future change that amount to an amount that gives a research scientist the ability to go out and really look at these problems in depth.

**Mr. Morningstar:** Another thing, Mr. Chairman, I was wondering why International Nickel was now purchasing nickel from Russia.

**Mr. D. A. Evans (Simcoe Centre):** The federal government allows them to bring it in.

**Mr. Lewis:** That is a good research project for you.

**Mr. De Monte:** There is also the other aspect of it. We could have known that with the new techniques in smelting iron ore that the Mesabi Range would become more productive. I was just going to say, Mr. Chairman, that if we had had the proper research we would have known that the new techniques of smelting that very low grade iron ore from the Mesabi Range was going to become very useful because of transportation costs to the plants in the United States from



Canada. Perhaps we might have located a plant close to the ore body and we could be producing the iron and steel right now.

**Mr. Chairman:** Mr. Newman.

**Mr. B. Newman:** Mr. Chairman, the topic concerning research I wanted to bring up earlier and which I had forgotten was the idea of labour content of various manufacturing processes. Apparently we are in the auto trade agreement with the United States, but have any studies been undertaken as to whether we are exporting jobs as a result of being in such an agreement? In other words, we are bringing in finished products and we are likewise exporting finished or semifinished products, but are we bringing in more jobs than we export in the field of the auto trade agreement? Or would that be beyond your capacity and require the federal authorities to do?

**Hon. Mr. Carton:** We have not done it. And it would be more within the federal jurisdiction.

**Mr. B. Newman:** Mr. Chairman, do you know whether the federal Department of Labour are undertaking such studies?

**Mr. Lewis:** Ever since he decided to run again he has—

**Mr. Chairman:** Order, please.

**Hon. Mr. Carton:** No, I do not know.

**Mr. Lewis:** You should have retired.

**Mr. B. Newman:** Then there are several others I wanted to bring up under research. I think some department of government should be studying it, whether it be on a provincial or federal level. I think we have got to know whether we are simply exporting raw materials to too great an extent and importing too many finished products, and as a result exporting our job opportunities.

I wanted to ask of the minister if, in their studies, they have gone into the economic impact of a shorter work week and what it could do as far as employment is concerned? Whether it would be an answer or a partial answer to some of our need for employment?

I also wanted to ask, Mr. Minister, if the department has considered job opportunities for those aged 50 and over? People who, now laid off, just cannot find employment because no one is going to hire—I should not say no one—but very few will hire a man after he is 50 years of age. As a result he is relegated

to the next 15 years of waiting for old age security and probably becoming a charge on the community.

There are a lot of jobs in government that could be reserved for the handicapped or elderly, such as an individual collecting tickets at a park entrance. There is no reason why we should come along and provide that type of employment to healthy individuals when we could give this to someone who has some type of a physical handicap. His job opportunities are so limited that certain jobs should be maybe set aside for those that have either the age handicap or physical handicap.

Another subject I wanted to mention, Mr. Minister, is the effect of hiring halls as opposed to Canada Manpower centres. An individual sometimes cannot get hired unless he goes through a hiring hall. Should not all hiring be done through Canada Manpower and Canada Manpower send X number of individuals to the hiring hall instead of in some instances it all going through a hiring hall? No studies have been undertaken on any of these?

**Hon. Mr. Carton:** No, but you raise some points that we could consider, definitely.

**Mr. B. Newman:** I would hope that you would.

**Hon. Mr. Carton:** On the age question, though. I would hate to think people were being discriminated against because they were 50 years of age, because that would be illegal under our legislation.

**Mr. Chairman:** Mr. Lewis.

**Mr. B. Newman:** You have a point there, Mr. Minister, that we should not be discriminating because of age, but how do we then accommodate our elderly—provide job opportunities for them?

**Mr. R. Gisborn (Hamilton East):** Ask the Minister of Social and Family Services (Mr. Wells).

**Mr. B. Newman:** It is all right to say “do not discriminate,” but these people after 50 or 55, they are not going to be hired—who is going to hire them?

**Mr. Morningstar:** Unless they are skilled.

**Mr. B. Newman:** And even with a skill they have difficulty at times because today with the glut on the market in a lot of the—



**Mr. Chairman:** Mr. Newman, I think now you are not in research, you are in job—

**Hon. Mr. Carton:** I wonder if I could make a general statement? It would appear to me that if we undertook a research project on many of the things—and they are all quite valid points that possibly you raise—but can you imagine the number of people who would have to be involved to do the research on the particular subjects you mentioned this afternoon? I think there would have to be a system of priorities and it is as simple as that. You would have to gauge a system of priorities so that you were researching the proper ones in the proper sequence.

**Mr. B. Newman:** All right. I will accept that, Mr. Minister, but maybe when the ministers of labour get together throughout the Dominion of Canada, certain fields could be allocated to various ministers so that there would never be the same type of study undertaken in two jurisdictions.

**Hon. Mr. Carton:** Yes, I agree, except that, for example, a study of the minimum wage in Prince Edward Island would be of no relative value to a minimum wage in Ontario.

**Mr. B. Newman:** Granted, but as far as employing elderly people is concerned, I would think that it would probably work well, regardless of the jurisdiction.

**Mr. Chairman:** Mr. Lewis on research. I have to give the floor to Mr. Lewis, or he is going to accuse me of discrimination.

**Mr. Lewis:** I already have. I do not know what I am going to do with the floor now that I have it. I have a sensation that we are not going to receive from the minister any very definitive statement about what he wants to research or will research.

**Hon. Mr. Carton:** No, I was just saying, as I just concluded, there are some valid topics that possibly have been brought up this afternoon, but it would have to be determined by a priority sequence and—

**Mr. Lewis:** I can recall engaging with an amiable chap across the way around research when he was the Minister of Labour some years ago, and then, subsequently, with your predecessor, Mr. Bales, who gave us many similar observations.

**Mr. De Monte:** Nothing ever happened though.

**Mr. Lewis:** One friend of mine in one of the worst jokes I have ever heard cracked—Mr. Stewart Cooke, who is, as you know, a United Steel Worker associated very prominently with district 6—said that all we have achieved in labour in the last year is to go from bales to cartons, which seems to me to be a very reasonable commentary on the nature of progress.

**Hon. Mr. Carton:** A package deal!

**Mr. Lewis:** Yes. It certainly has not been as euphoric for some as we would wish.

Look, Mr. Minister, these research projects which are itemized in your book are rather less research projects and rather more statistical compilations. We in the New Democratic Party research department would be glad to do the statistical compilations for you in our spare time. Our people are relatively industrious. You do not have to spend \$621,000 to gather together surveys, collective wage agreements, hospital contracts or some of the others you have.

You have one or two legitimate research areas in a sense that you are exploring rather than gathering. You are genuinely exploring the subject rather than simply compiling information. I do not for a moment doubt that the compilation of the statistical stuff is a long, arduous task and I understand how researchers must feel in having to put it all together then have a fellow like me come into the committee and not give it its due worth. I do not give it that worth.

I use it frequently myself, but there is a qualitative difference between bringing together similar clauses in collective bargaining contracts or showing patterns of collective bargaining on the basis of the contracts and a genuine research study to some of the basic labour problems in Ontario.

**Mr. Chairman,** I do not want to get into trouble with you. One of the next items—

**Mr. Morningstar:** I think the minister would appreciate your co-operation.

**Mr. Lewis:** I know that. The office of the executive director of manpower services which falls on page 10?

**Mr. Chairman:** Yes. It is in this vote.

**Mr. Lewis:** It is 9 in this vote; 9 and 10 of the report. Following that, on page 11 of the report, if memory serves me, you move right in to the phenomenon in plant shut-downs and how that all relates to the executive director.

Hon. Mr. Carton: That is in 1006.

Mr. Lewis: Except our problem in this, looking at—

Mr. Chairman: Yes, they do fringe on a lot of things.

Mr. Lewis: —looking at it in this context, Mr. Chairman, is you have got a manpower executive director and you have a research branch. You are dealing with one of the most critical phenomenon in Ontario now which is the extraordinary dislocation by virtue of plant shutdowns.

We can discuss this under the employment standards branch in terms of the way in which it applies in individual plants and believe me, we will. There are 60 or 70 cases we would like to hear the answers on. However, what is the department doing about what must surely be the most disruptive phenomenon in labour relations or the functioning of the economy that presently exists and has been accelerating over the last year or two, and which last year resulted in the loss of 5,000 jobs in Ontario—which can be well documented in research terms—and this year threatens to result in a loss of 15,000 jobs in Ontario? God knows we need them badly enough.

It has, in certain sectors of the economy, a continuing pattern whether it is the electronic tube industry, or the textile industry, or the farm implement industry. How can one conceivably have a research branch which is not engaged on the anatomy of plant shutdowns? That is really what I am saying. Not simply an individual plant shutdown, although that probably is worth doing in a very serious way, but in a continuing study of the anatomy of plant shutdowns right across the province, in one industry after another.

How can the government be serious in terms of the working out of policy if that is not available? I am asking you why is that kind of research not available? Why is it not listed in any of your projects? How can you respond, if the deputy minister will forgive me, on an ad hoc basis to each crisis? I understand that that is what you are doing and it drives some of us up the wall!

That is the nature of the government's response, when somebody deigns to phone you and says they are shutting down a plant. There are very real patterns to be discerned and predictions to be made and all kinds of obstacles to be avoided. Nowhere in the

entire research panoply of the department is there a sense that this is being done.

Hon. Mr. Carton: When you say there is research to be made and you also mention, say 15,000 this year, where is your information coming from?

Mr. Lewis: I am simply extrapolating. I am looking at the total number of jobs lost in 1970, over the entire year. I am taking a look at the number of jobs which have been lost until the end of April, which in our research department we have been tabulating as it goes along. However, I mean three to one. I can get the precise figures, but we are running three times ahead. You startled me; I think you startled all of us in the House the other day, when you said there were 68 or 70 further shutdowns—

Hon. Mr. Carton: I said there were 60; that is correct. I have an analysis of breakdown, of what happened. I have this analysis, and we will deal with it under vote 1006, but when the legislation was first brought into the Legislature, some of the plants within the spirit of the legislation wanted to let us know, and they were in fact letting us know—about thirty or forty jobs were involved. I have those figures broken down, the notices that were given prior to this legislation becoming effective and the notices that were given subsequent, and we have it all in a form which will be given in vote 1006.

But bear in mind that in one case—and I use this as an illustration and it happened in several cases—I believe it was Dupont, where there were, say, 106 to 110 who lost their jobs, but 100 found employment elsewhere. They are not, in fact, losing those jobs.

Mr. Lewis: Just a moment, are you speaking of Dupont in Brockville?

Hon. Mr. Carton: I believe that is the one.

Mr. Lewis: That is one of the ones I wanted to raise with you.

Hon. Mr. Carton: So they have been re-employed, in other words, and it goes on and on. For example, where there may be 70 people given notice, then 50 of them might find re-employment through the committee that has been set up by management and the unions and Canada Manpower.

Mr. Lewis: But you will agree that in absolute terms we have lost the equivalent number of jobs.

**Hon. Mr. Carton:** Not really, because you are forgetting about the new jobs that are being created.

**Mr. Lewis:** Where, in and around Brockville?

**Hon. Mr. Carton:** No, in and around Ontario. You are taking Ontario now, when you mentioned 15,000.

**Mr. Lewis:** Yes, and I think it can be demonstrated in absolute terms. But that is an item for vote 1006, and I will want to raise the matter.

**Mr. Chairman:** Mr. Gisborn.

**Mr. Lewis:** Just a moment, Mr. Chairman, I hope that these estimates will be prolonged sufficiently that when I come back, fired up from Victoria, I will still be here in time for vote 1006. My colleagues have assured me that we will still be on the first vote.

**Mr. Chairman:** Maybe you could give your information and have your colleagues raise it.

**Hon. Mr. Carton:** I was hoping it would be tonight.

**Mr. Lewis:** I want to come back to it. Are we doing any research in the Province of Ontario on the phenomenon of the branch plant shutdown, on the various industrial sectors where it is happening with increasing

rapidity and with an obvious pattern? Have we done any research into what happens to the men who lose their jobs? Have we done any research into the patterns of relocation and retraining of those men? I want to know what it is that we have at hand to cope with so disruptive a pattern.

**Hon. Mr. Carton:** If you are asking me if there has been any research done on the plant closures since this legislation became effective a few months ago, the answer is no.

**Mr. Lewis:** No, I mean in—we have had a research branch for some considerable time. It began under the member for York West (Mr. Rowntree).

**Mr. Chairman:** It now being six of the clock we will resume with Mr. Gisborn at eight.

**Mr. Morningstar:** Mr. Chairman, just one question of the minister.

**Mr. Chairman:** It is after six o'clock, Mr. Morningstar.

**Mr. Morningstar:** I do not know if I will be here. I think there are more people working today in Ontario than ever there was, are there not? There are more who are being employed.

It being 6 o'clock, p.m., the committee took recess.



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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Labour

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Thursday, June 10, 1971

Evening Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, JUNE 10, 1971

The committee resumed at 8 o'clock, p.m.

ESTIMATES, DEPARTMENT OF LABOUR  
(continued)

On vote 1001:

Mr. Chairman: Mr. Gisborn.

Mr. R. Gisborn (Hamilton East): I would like to get some idea from the minister in regard to the research. We always run into this problem of political philosophy in our attempts to develop ways and means of correcting some of our problems. I wondered if, and this might be a degree of government encroachment upon industry's rights—I am not one who believes in more government—there may be a greater degree of persuasiveness in our approach to some of the problems. The department must have, I feel assured they have, the mailing addresses of all of the industries; they have that kind of research done in the province and they likely send them documents quite regularly on their statistics.

It might be wise to use the research, if it is not being done at this point, in regard to the problem of plant shutdowns, phasing-out, rationalization or whatever might be the moves that bring about the lack of jobs. Now, when we talk about the lack of jobs we mean the people who are being displaced; losing employment. They might be persuaded to keep the department up to date. This, I say, is a very fine point of encroachment upon what might be considered industry's rights. But they might be persuaded, in light of our economic situation, to keep the department up to date on their stability of operations on a three-, five- or six-year basis.

Industry is pretty sophisticated today with all the data machinery and computerized methods available. I daresay they spend a great deal of money in keeping up to date on what is going on through the services available. They might be enjoined to keep the government informed of what their position might be. Even if it is in a confidential way, so the government labour department can move in with any kind of persuasive ideas

and economic rationalization or disparity changes in the areas, if you had some of that data. Certainly this is what we are running into.

I have heard it said lately, the minister said it briefly before the adjournment, that automation and technological improvements were not bringing about the loss of jobs. This is quite disputable and may be an argumentative subject; it depends on how you look at it. Some of the experts today are saying that maybe we should revert to a programme of trying to constrain technological improvements that displace people from employment and go back to the manual methods in a period of high unemployment.

I do not think there is anything wrong with that kind of persuasion. If The Department of Labour was the one which the government thought should be responsible for this kind of intrusion on the operations of industry, maybe we could generate some of those ideas. If you knew there were going to be plant improvements in the mechanical areas, and they said, "In three months we are going to put in a machine that is going to replace so many employees," they might be persuaded to stall it for six months or a year based on the employment picture, with an incentive if necessary. If they could prove that while it was going to cost them money if they did not improve their methods, then we have the incentive measures that we are using to a great degree; this could also be applied. We keep people working, or at least level out, instead of having the ever-increasing unemployment we are faced with.

With that thought in research—it is a little different from research—it is an imposition on someone else's knowledge of what is taking place in their particular sphere of industry. I think industry, in a sense, owes it to the province to keep The Department of Labour, or The Department of Labour through the government, informed of these sorts of things.

I do not know whether the hon. minister was around when the committee on—what was it called? I think the deputy minister recalls it—I think he was the secretary of the

committee on manpower training and apprenticeship qualifications. It is a report that is well worth going over again. Many points were made in it that led up to some of our present situations—job protection, automation and technological improvements, disparity and that sort of thing in different types of industry. I would urge the minister to give some thought in this area in his research department and would appreciate any comment he might have in this kind of programme.

**Mr. Chairman:** Mr. Minister.

**Hon. G. Carton** (Minister of Labour): The one point that you mentioned, Mr. Gisborn, whether or not we may be the proper vehicle: I truly do not see The Department of Labour as being the particular department to go out and encourage, whether by incentives or otherwise, the location or relocation of industry and so on. I think that truly is a function of The Department of Trade and Development.

**Mr. Gisborn:** Yes, I think one might agree. But I think this department could be an idea department, because in a sense, when we talk about The Department of Labour, people think about The Department of Labour in every sphere of the working life of people. I think the federal Department of Labour has taken a stronger stand in this regard than has the provincial department.

You see, we have the whole conflict of the constitutional provisions that bothers me somewhat. When we have plant shutdowns we invariably have the federal people say that that is a problem of the provincial government; why did this plant shut down; what can be done about it? But when we talk about the retraining or finding new jobs, they say it is the responsibility of The Department of Labour of the province. Of course, we have lost some of our rights in regard to manpower location and mobility; that is now almost completely in the hands of the federal government. I think I have noticed the provincial Department of Labour has eased off somewhat over the past few years in its interest in that area. How this can be revived, I do not know. We are almost left now only with on-the-job training programmes.

**Mr. Chairman:** Of course, we are touching on some other votes here.

**Hon. Mr. Carton:** Yes, with my brief experience, I see The Department of Labour being concerned with labour relations, safety

measures and so on; I also see it being on the periphery of some of these other matters. But truly The Department of Labour, as I see it, would deal more with individuals, rather than going out to an industry, which I still think is the function of The Department of Trade and Development.

As far as the federal Department of Labour is concerned, with all due respect, they deal with a different area than the provincial Department of Labour. We deal with three and a half million people in all concepts; they are dealing with half a million people in a few isolated concepts. Incidentally, this relates to a remark that was made a little earlier about minimum wage. I do not think you can equate the federal minimum wage, even though it has gone up 10 cents in that restricted area, to a minimum wage that covers three and a half million people. I do think there is a difference.

**Mr. Gisborn:** We will deal with that when we get to the proper vote.

**Hon. Mr. Carton:** Right.

**Mr. Chairman:** Research carried? Mr. Pilkey.

**Mr. C. G. Pilkey** (Oshawa): As a question in research, I was looking this list over and I wanted to ask if there is any research done in industrial accidents. I understand that there was a report in industrial accident research—somebody in the University of Toronto was doing something in 1969; was that completed? I do not see it listed here.

**Mr. T. M. Eberlee** (Deputy Minister): Yes, it was done for the Labour Safety Council, not for the research branch. It was a different kind of study.

**Mr. Chairman:** That is in the next vote.

**Mr. Pilkey:** But it was done by the research department.

**Mr. Eberlee:** No, not by this research branch, by the Labour Safety Council.

**Mr. Pilkey:** And was that completed, do you know?

**Mr. Eberlee:** Yes, and published.

**Mr. Chairman:** If you have any questions on that, it will be in the next vote. Mr. Haggerty.

**Mr. R. Haggerty** (Welland South): Mr. Chairman, I want to go back to the business of closing down some of the industry—



**Mr. Chairman:** That is on vote 1006, sir.

**Mr. Haggerty:** Yes, but it applies to research, too. We have been thrashing this here for the last hour.

**Mr. Chairman:** Relate it to research, please.

**Mr. Haggerty:** It is related to research. You brought in the argument of Trade and Development, and I was just wondering if there is any liaison between this department and Trade and Development. For example, in our inquiries into the mining estimates, we found that there is a good possibility in the mining industry that the processing of iron ore pellets in the Province of Ontario will be phased out within five-year periods. One of the reasons—and it has been discussed before, too—is that they can purchase their iron ore from the States a lot more cheaply than they can get it here, yet ours is a higher grade of ore compared with theirs; it is based on transportation costs. When we come back to The Department of Trade and Development, this was where they came in with this regional programme of planning and so forth, where they are going to set up this wall-to-wall industry from, say, Montreal through to Chicago.

I am particularly concerned about the matter of the Nanticoke area on Lake Erie. Here we will have two steel-producing plants located on Lake Erie—one at Nanticoke and the other at Port Burwell. Now there have been questions of transportation and cost involved. We know from reports from the United States, and recently by statements by the President, that there is going to be a fuel shortage crisis in the United States. Perhaps in 10 years we will not even have enough coal; we will have to purchase coal from the United States because it will not be available. I can remember in the estimates a year ago, dealing with Ontario Hydro, that the chairman said that they were looking toward western coal from Alberta.

When you talk about research and what not, I can see no planning by this department or by Trade and Development. Those two steel plants should have been located up at the Lakehead, which would be closer to the iron ore resources and to the coal resources.

**Mr. R. J. Boyer (Muskoka):** How could that be?

**Mr. Chairman:** You are touching on economic planning now.

**Mr. Haggerty:** Well, I am talking about research. All we seem to get out of this

department is these two books for six hundred thousand and some dollars—it is a tremendous cost—and I am just wondering if you do not get into research that covers the whole labour field in the Province of Ontario? I am concerned about 1,500 men who are going to be unemployed.

**Mr. Boyer:** Oh, quite right. But I was just wondering if that sort of study is the study that would be done by The Department of Labour. It might be done more practically by some other part of the administration.

**Mr. D. M. De Monte (Dovercourt):** Who is going to do it?

**Mr. Haggerty:** Who is going to do it? This is what we have been trying to bring forth to this government.

**Mr. Boyer:** Before the committees of this House there will be, for instance, The Department of Economics; I would think that you would find that studies of that sort were done there. But is The Department of Labour the department that properly studies the matter of coal coming in from the United States or elsewhere?

**Mr. De Monte:** Well, Mr. Chairman, if I might just make a point, I think the crucial issue is not a question of whether it is an economic thing; it is a question of the jobs that are going to be phased out—

**Mr. Haggerty:** Employment.

**Mr. De Monte:** —the employment factor and the economic condition, and if Nanticoke is closed down—

**Mr. Boyer:** Yes, but I think then you could put emphasis on that instead of this wide-ranging economics theory that we have been receiving from this hon. member.

**Mr. Haggerty:** All that we are trying to suggest to you is that there is not the proper planning, and it has to come from some department.

**Mr. Boyer:** And you want it to come from this department.

**Mr. Haggerty:** We do not care where it comes from, as long as we get it. We have been hammering away here for the last two or three years trying to get this type of programme—

**Mr. Chairman:** Mr. Haggerty—



**Mr. Haggerty:** —to know where you are going.

**Mr. Chairman:** Mr. Haggerty, if you were asking to examine co-ordination between the research of different departments regarding labour, how much information on their research they might give to labour, I think you are entirely within the vote, but otherwise you are on economic study of another department.

**Mr. Haggerty:** Well, this is what I am trying to convey to you. You are going to have a problem here of losing the iron ore industry in the Province of Ontario—

**Mr. Chairman:** Why do you not ask the—

**Mr. Haggerty:** You will not know where you are going until you make a study on it. We know that there are going to be 1,500 men unemployed—

**Mr. Chairman:** Mr. Haggerty, I must insist on you asking questions of whether there is any liaison in such a study and if it was brought to their attention, and so on—

**Mr. Haggerty:** I will put it this way, Mr. Chairman—

**Mr. Chairman:** —because I do not think you can ask about the research of another department and have the minister answer you.

**Mr. Haggerty:** That is right. Will The Department of Labour, in its research, initiate a study into the iron ore industry in Ontario?

**Hon. Mr. Carton:** Mr. Chairman, I could not undertake to answer that, because that is truly not within our jurisdiction. Our department deals with the employees and employers, labour relations and safety, etcetera. For economic planning, we have the Ontario Economic Council; we have The Department of the Treasury; we have The Department of Trade and Development. We certainly do not have the facilities or the budget for doing this kind of research that you are asking.

Also, I would point out, in all fairness to the department of research, if you look at their budget and look, in fact, at what has been done, I think it has been money well spent. For every person in this room, you could name five things that possibly anybody should be doing in five different areas and we would get 100 different topics that we could be studying. But again, they do not relate, in my opinion, to The Department of Labour.

We deal with labour relations. We deal with safety of the employee at work. We deal with the protection of employees and the working conditions and this is our function, and we deal with safety. We deal with safety of not only employees; we deal with safety of the public. These are the functions that we perform. It would be impossible for us to—

**Mr. Haggerty:** You deal with the closing down of plants. You have legislation—

**Hon. Mr. Carton:** The only function—and this is one thing that we have brought out—our main function in the closing of plants, the way that it relates to our department is that we are notified, as are the employees. At that time we check and make sure that notices are valid notices. We have a committee with which we co-operate with The Department of Trade and Development, The Department of Education and The Department of the Treasury. Through that committee and the Canada Manpower consultative services, we then relate to the particular plant that is closing to see what can be done to ease the situation as far as the individual employees are concerned. This legislation was brought in in order that the employees might have sufficient notice—

**Mr. Haggerty:** That is right, protection.

**Hon. Mr. Carton:** —to more or less get themselves into a position so that they are not shocked into being laid off tomorrow.

**Mr. Chairman:** Mr. De Monte.

**Mr. De Monte:** I notice, Mr. Chairman, that some of the titles of the research publications which have been produced, the books supplied to us, are methods of Forecasting Manpower Requirements" and "Canada and the United States Wage Parity." What I am trying to say is that through this research, we should be able to forecast, for instance, what is going to happen to an industry like the iron ore industry.

Why is it, that by supplying the manufacturing plant close to the source of supply we could not create more jobs? I think in that regard there is room in which The Department of Labour can do research and forecast not only manpower requirements but perhaps the redundancy of jobs that is going to take place in the next 10 years.

I know truly that the Treasury department does that but it does not seem that there is

any co-ordination between the two departments. It is a fact that we have had 68 plant closedowns or projected plant closedowns—

**Mr. Chairman:** Yes, but Mr. De Monte, I think the minister has pointed out to you there is very close liaison, and when a plant closes down there is a group of departments that is involved immediately.

**Mr. De Monte:** It is not obvious to us, Mr. Chairman. It may be obvious to the hon. minister but it is not obvious to us.

**Mr. Chairman:** Any further questions on research? Labour safety council?

**Mr. Pilkey:** I would like to ask a question. I would like to know what all these services are? This vote comes to about half a million, by the look of things—

**Hon. Mr. Carton:** No: \$148,900.

**Mr. Pilkey:** All through the estimates there, he is talking about services—

**Mr. Chairman:** You are talking about the services of the Labour Safety Council.

**Mr. Pilkey:** Well, I think—

**Mr. Chairman:** The Labour Safety Council at the moment, is largely part of the administrative services—

**Mr. Pilkey:** You are right; services \$59,000, in that vote, but it is all through every vote. The one before was 91, this one is 46, and so forth, right through the book. I would like to know what all those expenditures relate to.

**Mr. Chairman:** What you are really asking for, Mr. Pilkey, is a definition of what services entitle—

**Hon. Mr. Carton:** I think what he is asking for is there is a standard classification. It is the explanation of the standard classification and I think I will ask Mr. Webster to answer that.

**Mr. G. A. Webster** (Director of Finance): This is the new account guide. These guides or accounts are the new definition of accounts by The Department of Treasury and Economics. The services can relate to rental of capital items which would be machinery; rental of non-capital items; professional and special services, which would include data processing insurance, personal services, printing, receptions and seminars. I believe those are the ones you had in mind.

**Mr. Pilkey:** Services.

**Mr. Eberlee:** Under this particular item of services would be rental equipment, special studies, publications, membership fees—that is \$100 for membership in professional associations—and contingencies; that is it.

**Mr. Pilkey:** How did you break them down previously?

**Mr. Eberlee:** They were under the heading of maintenance; salaries, travelling expenses and maintenance.

**Mr. Pilkey:** So this time the difference is it is put under services.

**Mr. Eberlee:** That is right.

**Mr. I. Haskett** (Ottawa South): You will find these throughout the entire estimates. It is the new setup by The Department of Treasury; every vote in every department has the same listings—salaries and wages, employees' benefits, transportation, communication and services, supplies and equipment and so on. They are not too illuminating to the members, but these were brought in as the result of the recommendations that were made to Treasury by the public accounts committee. This was a setup, I think, that resulted in a way that they hoped would be more useful to us. And I think I appreciate Mr. Pilkey's point: they are not very illuminating.

**Mr. Pilkey:** They do not tell you anything.

**Mr. Chairman:** Mr. De Monte.

**Mr. De Monte:** In connection with the Labour Safety Council, is that council set up independent of government?

**Mr. Chairman:** Yes.

**Hon. Mr. Carton:** This council now has 18 members; there are seven members from associations that are financed or supported through the Workmen's Compensation Board and seven members of labour.

**Mr. De Monte:** Workmen's Compensation in the Labour Safety Council?

**Hon. Mr. Carton:** The Workmen's Compensation Board safety associations; there are seven of them.

**Mr. De Monte:** And seven other members?

**Hon. Mr. Carton:** And seven representing labour.

**Mr. De Monte:** How are they tied in with the Industrial Accident Prevention association and the Construction Safety Association?

**Hon. Mr. Carton:** There is one man from each. The IAPA would have one man on the Labour Safety Council.

**Mr. De Monte:** And what are its functions really?

**Hon. Mr. Carton:** Briefly, it advises the minister on safety legislation. For example, if we propose to introduce some legislation, say, in The Industrial Safety Act, they review this Act; and they deal generally with the safety legislation throughout the province.

**Mr. De Monte:** Grants for industrial safety and construction safety are under another item, I understand.

**Hon. Mr. Carton:** Yes, they are under vote 1002.

**Mr. De Monte:** Vote 1002. In other words, the reason we have one man from each association on the council is that there is a co-ordination between them. What type of co-ordination is there between the Workmen's Compensation Board and the Labour Safety Council?

**Hon. Mr. Carton:** The director of safety education for the Workmen's Compensation Board sits on the Labour Safety Council.

**Mr. De Monte:** And does the Workmen's Compensation Board have its own safety inspections? I guess not. It relies on the construction safety and the industrial safety associations?

**Hon. Mr. Carton:** Along with the municipal inspectors, we do the inspections.

**Mr. De Monte:** I take it also that labour safety in the cities is conducted by the inspectors hired by the municipalities?

**Hon. Mr. Carton:** That is right.

**Mr. De Monte:** How about industrial safety? I think you have industrial safety.

**Hon. Mr. Carton:** That is right, and it is broken down into two different branches.

**Mr. De Monte:** In the Construction Safety Association I understand this association is made up of—well, of course, we can discuss that under vote 1002. But the Labour Safety Council is merely an advisory board?

**Hon. Mr. Carton:** An advisory board.

**Mr. De Monte:** Which advises the minister as to safety requirements in the province and so on, and advises you as to—

**Hon. Mr. Carton:** It advises us on regulations, on any proposed legislation and makes reviews of existing legislation and runs a safety information service.

**Mr. De Monte:** Is that the signs we see in plants and on jobs or is that run by the association?

**Hon. Mr. Carton:** By the association.

**Mr. De Monte:** What type of labour safety information service, farm safety?

**Mr. Eberlee:** It is primarily a technical service.

**Mr. De Monte:** Oh, I see.

**Mr. Eberlee:** They have a library and provide technical information to management and labour and so on, in order to know how to make the job safer.

**Hon. Mr. Carton:** The Labour Safety Council originated from a royal commission in 1960.

**Mr. De Monte:** Fine, I am satisfied.

**Mr. Chairman:** Labour Safety Council? Carried.

Finance and administration? Carried.

Personnel? Carried.

Information services? Mr. De Monte.

**Mr. De Monte:** I was very interested in the points brought out by the member for Oshawa, and I am wondering whether I should speak about it under this item.

I think the member for Oshawa made a very valid point, in that in 1969 we lost about 7.5 million man-days, or whatever it was, and in 1970 we lost two million man-days, which in my respectful submission is a fairly good record, Mr. Chairman. I am wondering if The Department of Labour is going to do something about the propaganda that is being put out by management, that the Province of Ontario is in a chaotic condition in connection with labour.

I think firstly the public—through the tremendous possibilities that management has of conveying its message—the public in a sense is being misled, that we are in an era of labour chaos. Sometimes I wonder if management is being somewhat less than responsible in initiating this tremendous campaign—and my friend and I and possibly all members of the Legislature are just being



labour as a bunch of no-gooders trying to inundated with speeches that sort of paint grab as much as they can at the expense of society.

I know he has tried to do something in the last couple of weeks, but is he trying to do something to counteract this very vicious propaganda that is being bandied about?

**Hon. Mr. Carton:** Yes, some of us make speeches and some of us—

**Mr. De Monte:** I know that.

**Hon. Mr. Carton:** And some of us do not become the congenital head table guests at the CMA annual banquet.

**Mr. De Monte:** I think perhaps something more than just a speech at a banquet is in order.

**Hon. Mr. Carton:** "Collective Bargaining in 1970" was actually disseminated to the press. As a matter of fact, I read certain excerpts from this in the press.

**Mr. De Monte:** Yes, but down in the corner on the fourth page.

**Hon. Mr. Carton:** I would be happy if they gave me front-page coverage on it.

**Mr. De Monte:** I think it is a serious problem, and, Mr. Chairman, I think the minister should probably try to rectify this situation, because certainly it is not making for labour peace. This type of propaganda could cause labour chaos, because it is instilling in the minds of the general citizenry that labour is out to cut everybody's throat except its own. I suggest to the hon. minister that he possibly do something very drastic very soon about that.

**Mr. Chairman:** Any more questions?

**Mr. Pilkey:** I want to just follow that up. I notice these are the kind of information releases that are given out as a result of the department putting together a lot of statistics. I happened to be in the Lakehead a few months ago and I was pleasantly surprised to hear on the radio the strikes that were in progress in that area plus the settlements. Now usually all you get on the radio station are the strikes in progress, and at the Lakehead radio station they said the three settlements had been reached and they named the companies where the settlements had been reached.

As I said, I was just pleasantly surprised to hear that because, normally, all they want to do is make great fanfare of the strike situations because that, I suppose, sells newspapers. By the same token, I think that it is incumbent upon the media to release the settlements as well and how many people were involved in the settlements because, you take the man-days lost as an illustration.

In 1970, my guess is it is about 0.05 of 1 per cent of the total days worked by employees in this province. So, what I am saying is it is a fairly insignificant sum of man-days lost as related to the days that have been worked. You really do not see any of that in the newspapers. They just have a tendency to build up the strike situations. Then, in addition to that, as I pointed out, you have these heads of the various corporations running around the country making speeches and then delivering them to the media indicating that there is industrial chaos and that we need to have major changes in The Labour Relations Act to counter the imbalance of power as related by the minister when he introduced Bill 167.

I was not confident that was a very good statement either. It implied that we were in an era of industrial chaos and that we had to straighten this all out and the facts just do not prove that is the situation today.

I just think that the government some way is going to have to provide a better information service in terms of releases. I do not know where all your releases go, for that matter. It might be interesting if all of these releases were, or could be published, in the house organs of various unions. At least we would be getting to the people, the organized workers, that the situation is not as bad as what the media would lead you to believe. Let us face it, many workers in this province, even organized workers, believe that we are just in a pretty difficult climate as far as collective bargaining is concerned. So I think that there just have to be ways to get the story across correctly that things are not in the state that they would lead us to believe.

**Mr. S. Lewis (Scarborough West):** Mr. Chairman, I would like to—I do not have the pamphlets in front of me, however, I recall people involved—I would like to make a point to the minister. I think it is high time the Minister of Labour put a stop to this kind of dissemination of largely unsubstantiated, often nearly hysterical—let me not use that word—very strident kind of propaganda which

has been churned out by some senior members of the corporate community, not only in sort of public terms when they appear on panels, but in terms of the little brochures which my colleague referred to.

**Mr. Chairman:** Also, I think Mr. De Monte has mentioned it in depth tonight.

**Mr. Lewis:** Yes, well I am going to make a different point, Mr. Chairman, I think. I am not clairvoyant but I suspect that what I want to say to the minister has not yet been said.

I recall rather vividly the stirring review fashioned by your deputy minister as he cut Mr. Clawson to the ground in a—

**Mr. Eberlee:** Oh, there were two of them. Three.

**Mr. Lewis:** Three people you cut to the ground?

**Mr. Eberlee:** Yes.

**Mr. Lewis:** You are like the little tailor, seven at one blow, eh? It was a vivid portrayal when some of us read that in the *Globe and Mail*, isolated in the business section though it was. We gained some heart from it. But these corporate executives of the Steel Company of Canada and of Algoma Steel and of the pulp and paper company and Clawson himself—who is the man from Gulf?—president or vice-president of Gulf who had similarly engaged in this kind of rhetoric.

**Hon. Mr. Carton:** I do not travel in those circles. I do not know who it is.

**Mr. Lewis:** The minister may begin to travel in those circles with your new ascendancy. I would like to make this suggestion. I think the corporate executives who have published this material, which is a distortion of labour relations as they exist in Ontario now as your own deputy minister pointed out—which has in it facts which are very much in dispute and some direct contradictions of statistical reality, and we have it from his own material—try to inject into labour relations in Ontario a sense of disharmony which cannot but do damage hereafter.

I think the Minister of Labour should call those corporate executives into his office and give them a firm, but direct, tongue-lashing and tell them as the Minister of Labour that you are not going to have industrial relations in Ontario thrown so totally out of kilter so that they may serve their particular purposes.

I may say, Mr. Minister, that this is not true of organized labour. The organized—

Interjection by an hon. member.

**Mr. Lewis:** Just a moment. The organized trade union movement has responded passionately to what it considers to be the injustices of Bill 167. But it has not misquoted the statistical substance of the department. It has not introduced that kind of stridency and that kind of unsubstantiated argument which is included in those documents. It has not deliberately attempted to foment disharmony which is what these corporate executives are presently engaged in doing; and, obviously, that is a point of view which I would share more strongly than you share.

But I think it can be documented and, as I say, it was surprising when even the deputy—I am sorry, Mr. Eberlee, I do not mean to prey on it—but it is surprising that even the deputy should step out of a characteristic civil service role and feel sufficiently a defender of his department to say: "Look, you know, call a halt to it. It just is not true about Ontario. You do not import your prejudices that you have about the United States labour relations and you do not refashion reality in Ontario." I think that the Minister of Labour might do well to say: "It is a new era. My name is Carton."

**Hon. Mr. Carton:** He will quiver.

**Mr. Lewis:** "I have inherited 167. They may not know me when I come in through the east door but you are going to know me because I am the Minister of Labour in Ontario and I want to tell you that you talk in more measured terms if you do not mind and that under my stewardship, labour relations in this province are not going to deteriorate because you have undertaken a crusade to poison the atmosphere. It is tough enough giving inflation unemployment guidelines and all the other things which create tensions. Do not distort what we know to be otherwise in Ontario."

I think they would benefit from that. They would be very sobered by it. They would see that even a Conservative government is prepared to defend its policies from time to time even when the attack comes from the business communities. I am not asking for a commitment that you will do it, as I suspect you may want to ponder it for an hour or so.

**Hon. Mr. Carton:** How does the member know I have not?



**Mr. Lewis:** I do not. Has the minister called them in? Has he, in fact, expressed any disfavour with some of the things that have been said? Your deputy has. Has the minister had occasion to?

**Hon. Mr. Carton:** I most certainly have.

**Mr. Lewis:** The minister has?

**Hon. Mr. Carton:** I will not say they have been in public but I have certainly had occasion to be very—

**Mr. Lewis:** Has the minister? Well, I compliment him, not necessarily with the people we have named or referred to, but with some who—

**Hon. Mr. Carton:** Right.

**Mr. Lewis:** —put that point of view. Well, if they just put the point of view privately, Mr. Minister, and sort of shared it with him in the confines of his office, that is one thing. But, here they all are. Clawson, vice-president of the Steel Company of Canada: "How to destroy or save collective bargaining." This is a rare one; Matchum, vice-president and assistant to the president of the Algoma Steel Corporation: "Do we have to say goodbye to collective bargaining?" Matchum, you know, has a professional speechwriter who comes from British Columbia and probably works for W. A. C. Bennett, although I am not positive of that.

**Hon. Mr. Carton:** Being checked; maybe in or out.

**Mr. Lewis:** You get an unsubstantiated fact from me very rarely. "Collective bargaining in the economy"—Powis of Noranda Mines. Here is Mr. Shepherd of Gulf Oil, Cheeseman on government labour and industry.

Now these are polemics, polemics designed to distort reality, and I think that you have some obligation to say to these men—if you insist on doing it privately, so be it; but you call them into your office one morning at 10 o'clock, sit them down—their offices are probably even more illustrious than yours, so it will be nice for them to humble themselves in the modest confines of the office of the Minister of Labour—and you talk turkey to them and you tell them to please cut it out in the interests of industrial relations in Ontario.

You cannot censure them, you cannot stop them, but you can in fact rebuke them and you can make them understand how the

atmosphere deteriorates as long as they persist.

**Hon. Mr. Carton:** Mr. Chairman, I would like to point out one thing. On April 25, we had an information release on this, Mr. Pilkey, and it reads as follows:

**Mr. Chairman:** Mr. Pilkey—

**Hon. Mr. Carton:** We had an information release on these figures. I sent one out, and it reads as follows:

Labour Minister Gordon Carton announced today the release of a report prepared by the research branch of The Ontario Department of Labour to summarize its collective bargaining activity in Ontario during 1970.

And then it goes on to illustrate and give all the facts and figures that you mentioned.

**Mr. Pilkey:** To whom does this go?

**Mr. Lewis:** Can I show you something which is really quite amusing? Powis, president of Noranda Mines, put out his little pamphlet on collective bargaining in the economy, and on page 4 he says that man-days lost through strikes were at a record 7,750,000 last year; up 32 per cent over 1968. And a 20 per cent increase during the first seven months of this year over the corresponding period of 1969 suggests that 1970 will be our worst year yet, and he is speaking of the first seven months of 1970.

Well, then, in October, 1970, there comes from The Ontario Department of Labour an information release containing the following:

A decrease of 72 per cent in man-days lost in industry because of strikes and lock-outs throughout the province in the first nine months of this year was reported by The Ontario Department of Labour today.

**Mr. De Monte:** Completely misleading.

**Mr. Lewis:** Now, who is right? Is Powis right or is your research branch right? If you are right, then Powis is engaged in fantasy that you know verges on fabrication and I really think that this kind of stuff being churned out does a real disservice to industrial relations in Ontario and you do not have to put up with it.

**Mr. Chairman:** Are those the figures for all of Canada or Ontario?

**Mr. Lewis:** No, that is—

**An hon. member:** I think he is reading the national figures.



**Mr. Pilkey:** Nevertheless—

**Hon. Mr. Carton:** The other provinces do not have our good record, I guess.

**Mr. Pilkey:** No, no, that is not true.

**Mr. Lewis:** That may account for it.

**Mr. Pilkey:** No, no, that is not true. Those facts are just distorted.

**Mr. Lewis:** However, it is an address to the Hamilton Rotary Club. He knows where he is speaking. He knows the effect he is trying to—

**Hon. Mr. Carton:** Along the same line, in the non-construction industries, we had a record level of 2,935 contract settlements covering approximately 334,000 employees and it was a record.

**Mr. Lewis:** I just wanted to demonstrate how virtuous is organized labour and the efforts it makes to reach accord in collective bargaining agreements.

**Hon. Mr. Carton:** Through this government's legislation.

**Mr. Lewis:** And without any help from government at all except—

**Hon. Mr. Carton:** Through this government's legislation—

**Mr. Lewis:** —the occasional—

**Hon. Mr. Carton:** —and mediation and conciliation.

**Mr. Lewis:** —mediation, and here we are being nipped at the flank, both of us, by the corporate elite.

**Mr. Pilkey:** And then for him to go on and talk about how, just to make their point, bombs, beatings, arson and criminal violence have become common in labour disputes, well, that is not true either, but they push that kind of propaganda around. There was another section just over here; workers in the Soo, in the construction industry, are earning pay cheques up to \$413 a week, going on to \$20,000 a year. Well, that is not true either, but—

**Mr. Lewis:** One thing I ask you—here is a man who is speaking to the Rotary Club at the Prince Arthur Hotel, Thunder Bay, and says:

Slowdowns, study sessions, sick strikes and other dishonest and illegal pressure tactics are casually and openly used by

employees to get their own way. Bombs, beatings, arson and criminal violence have become common in labour disputes but nobody seems to do anything about it.

Now, that is really irresponsible rubbish and these little pamphlets are now a matter of course—

**Mr. De Monte:** We get about one a month.

**Mr. Lewis:** —and I really think that you can do something about it. You should call these fellows in and say: "Look, that is enough. That is beyond the limit—"

**Mr. Chairman:** I think, Mr. Lewis, that you have made your point well.

**Hon. Mr. Carton:** Before we leave that point, I am not responsible for all that, I hope—what they are saying.

**Mr. Lewis:** I do not think so, but your silence may mean acquiescence and we would not want that to happen.

**Mr. Chairman:** Information services? Carried.

Systems and data processing. Any questions? Carried.

Executive director of manpower services. I believe, Mr. Pilkey, you indicated you wished to talk on that.

**Mr. Pilkey:** Well, no. The only thing I wanted to say in this regard on the manpower services is what is the government really doing in this area as it relates to plant shutdowns and employees that are looking for the opportunity of employment? Obviously your manpower service has something to do in this area and I just wondered what they were doing in respect to these plant closedowns?

**Mr. Chairman:** That is 1006, it would come under.

**Mr. Pilkey:** Well, what about this manpower service?

**Hon. Mr. Carton:** Industrial training will be covering that. The executive director of manpower services, Mr. Pilkey, actually co-ordinates the industrial training branch, the employment standards branch, the women's bureau and the athletics commissioner. That is the executive director of manpower. He covers the four departments.

**Mr. Gisborn:** Would he have had anything to do with sending in the officers to deal with a discussion over a proposed plant shutdown?

Does he direct certain officers to go in? Would that be his personal responsibility?

**Hon. Mr. Carton:** That would come within the branch that reports to him, I would believe.

**Mr. Eberlee:** He is simply the equivalent of the assistant deputy minister.

**Mr. De Monte:** Are the departments that report to him covered under different items in the vote?

**Hon. Mr. Carton:** They will be covered item by item as we go along.

**Mr. Chairman:** Industrial training, for instance, is in vote 1004.

**Mr. Lewis:** So he is not really involved in vote 1006. He is not responsible for that branch?

**Mr. Eberlee:** It reports to him.

**Mr. Lewis:** Employment standards reports?

**Mr. Eberlee:** Employment standards, industrial training, women's bureau and athletics commissioner. He is placed in this departmental administration vote for purposes of account administration, actually.

**Mr. Lewis:** But does he just co-ordinate or oversee—does he actually? I am trying to see what this overworked chap does. Does he, in fact, do manpower things?

**Hon. Mr. Carton:** May I read this to you and I think it will summarize it very well:

The manpower services division was established in 1966 as an effort to improve the direction and effectiveness of the department's programmes aimed at the protection and development of the province's most valuable assets, its manpower resources. This division is primarily concerned with providing skill training and upgrading and with preventing the economic exploitation of more than 2,750,000 working men and women in Ontario. Thus, industry is better provided with the occupational skills it requires, and the individual is given an opportunity to make the maximum contribution of which he is capable.

The executive director is responsible for the overall planning, direction and co-ordination of the programmes of the industrial training branch, the employment standards branch, the women's bureau and the athletics commissioner. This also involves co-ordinating the activities and

services of these branches with those of federal, provincial, municipal and private agencies as well as with a wide range of employer and labour organizations in an attempt to keep programmes upgraded, flexible and capable of rapid adaptation.

It is in the book. I think you get the gist of it. I might point out that the present occupant of this position is a fairly recent appointee—

**Mr. Gisborn:** Has he got the job classification of the deputy?

**Hon. Mr. Carton:** I beg your pardon?

**Mr. Gisborn:** Never mind.

**Mr. Lewis:** And he is equivalent to an assistant deputy minister?

**Hon. Mr. Carton:** That is right.

**Mr. Lewis:** Why do you not call him assistant deputy minister? Think of what it would do for his ego.

**Hon. Mr. Carton:** I would have liked to, but I was not there.

**Mr. Eberlee:** Actually it has been fashionable to use the other terms for the last few years.

**Mr. Lewis:** I see. We are going to make him an assistant deputy minister; I want him to know the facts. He has this to look forward to from an NDP government.

**Hon. Mr. Carton:** For your information, because he is a new appointee, I would like briefly to give you his background:

Born in Montreal; educated in Montreal schools, Loyola College; B.A. degree in 1960; took a management training programme at Eaton's later; left Eaton's to go to McGill University law school, graduated in 1964 with a Bachelor of Civil Law; admitted to the Quebec bar in 1969, and he is bilingual.

While at McGill he became involved with the International Students Exchange organization. On his graduation went over to Geneva for the summer and joined the International Labour Organization in the labour standards division in Geneva. He returned to Canada in 1966 and was appointed to the board of trustees in the Maritime Transportation Union; then he became executive director of the trusteeship. In January, 1968, he was appointed executive assistant to the deputy minister

of the federal Department of Labour; the following year—

Then came a less burdensome one.

**Mr. Lewis:** Well, he sounds like the perfect fellow to deal with all the bombs and darts in the industrial sector.

**Hon. Mr. Carton:** And this is Mr. Hushion here, for your information.

**Mr. Lewis:** Right, I gathered that. My congratulations on your appointment.

**Mr. Chairman:** Any further questions on executive director manpower services? Carried.

Vote 1001 agreed to.

On vote 1002:

**Mr. Chairman:** Office of the executive director, safety and technical services programme. Any questions? Carried.

**Mr. Lewis:** Are you doing it bit by bit?

**Mr. Chairman:** Yes, item by item.

Carried?

Operating engineers?

**Mr. Gisborn:** How is the new Act working out? Is there anything in this report about it? Does it seem to be functioning satisfactorily as far as the operating engineers are concerned? And is the review board still operating?

**Hon. Mr. Carton:** Yes, it is still operating, and the only comment I can make is that I have not had that many complaints about it, so I presume that everything is functioning fairly well.

**Mr. Chairman:** Any further comments?

**Mr. Haggerty:** What kind of an educational programme do you have in this? Do you have any? Do you have anything on this?

**Hon. Mr. Carton:** Well, the board of examiners conducts examinations.

**Mr. Haggerty:** That is about all? Do you have any such programmes in community colleges, for example?

**Mr. Chairman:** Perhaps we will have the gentleman from the department speak to this.

**Mr. Eberlee:** We have been working with the board of review and our industrial training branch, as a matter of fact, to develop a training programme in this area.

**Mr. Haggerty:** I understand that there are not too many first-class stationary engineers.

**Mr. Eberlee:** No, although there is a sufficient supply of first-class stationary engineers.

**Mr. Haggerty:** Are there?

**Mr. Eberlee:** Of course, the problem in this trade is that there is a supply of certified people in all the categories but the jobs are not plentiful. There is no shortage of engineers in any of the categories.

**Mr. Haggerty:** Well, there are jobs available, say, for third- or fourth-class engineers, right?

**Mr. Eberlee:** And second-class engineers.

**Mr. Haggerty:** I mean where you are working with air compressors and such, where you are working under pressure. But I am talking about the steam itself.

**Mr. Eberlee:** Oh, we do not have any complaints about shortages of firsts or seconds. As a matter of fact, we have more complaints about these people not having employment readily available to them. There has been quite a changeover to different types of plants, re-rating of plants.

**Mr. Haggerty:** But you still have to have a first-class power engineer in, say, any plant that has a certain horsepower, right?

**Mr. Eberlee:** That is right.

**Mr. Haggerty:** He must be a power engineer or a stationary engineer? You cannot have a chemical engineer or somebody from university come in and say he has this certificate that he is an engineer, and he takes it over?

**Mr. Eberlee:** That is right.

**Mr. Chairman:** Mr. Newman.

**Mr. B. Newman (Windsor-Walkerville):** Mr. Chairman, the topic I would like to discuss probably relates to both operating engineers and boiler inspection, and that is in relation to certain boilers in certain schools which, because of their therm-power rating and likewise because they are automated, do not come under The Operating Engineers Act.

For safety's sake should they not perhaps come under the Act? The explosion in Ottawa was a result of something going wrong with an automated—

**Hon. Mr. Carton:** Are you talking about the school explosion?



Mr. B. Newman: Yes.

Hon. Mr. Carton: That was simply a matter of maintenance. If they had had proper maintenance on that particular furnace, it would not have exploded. It had nothing to do with the aspect of what you are talking about.

Mr. B. Newman: It had nothing to do with it?

Hon. Mr. Carton: No, Mr. Newman.

Mr. B. Newman: Is there any need then to put automated and low-therm power boilers under some other rigid type of inspection to prevent a similar accident happening again in one of the schools?

Mr. Haggerty: Mr. Chairman, the member for Windsor-Walkerville brings up a very important point.

Mr. Chairman: Yes, well, wait until we get the answer to it.

Mr. Eberlee: Perhaps we could allude to the comment the minister made in his opening address: We are hoping to be able to move in the next couple of years to the establishment of standards for maintenance and require rigid maintenance contracts to be maintained.

Mr. B. Newman: Yes.

Mr. Haggerty: What has taken place since The Department of Education established the county school boards? Some of these schools have large heating plants; they go out and hire a person perhaps for \$21,000 and he knows nothing about boilers, yet he is head maintenance supervisor.

The point I wish to make—and I think this is what the member is trying to convey—is that this person should carry a stationary engineer's certificate; then I do not think you would have this problem. Then you could have some of the inspections made and somebody with the knowledge who would know what was going wrong with some of these heating plants.

Mr. B. Newman: Mr. Chairman, if I may ask, do each of the boards of education or others that have that type of a unit in operation submit to you some type of certification of inspection from a commercial inspector, if necessary, on a periodic basis?

Mr. Eberlee: Developing this sort of thing is what we have in mind for the future.

Mr. B. Newman: Yes.

Hon. Mr. Carton: Well, the insurance companies would report their inspection to us.

Mr. B. Newman: Well, how come this accident happened in Ottawa? Could it not happen elsewhere?

Hon. Mr. Carton: Well, an accident can happen anytime, depending on the circumstances, anywhere.

Interjections by hon. members.

Mr. Chairman: Order, please.

Hon. Mr. Carton: In this particular case it was simply a lack of maintenance and there was a carbon buildup over a period of years. It just was not a case of months or even one or two or three years; it was over a period of years that this built up.

Mr. B. Newman: Well, this is why I made that suggestion, Mr. Minister.

Hon. Mr. Carton: But you do not need to be an operating engineer to know that a boiler should be maintained and cleaned annually or whatever it may be. You do not have to be an operating engineer for that aspect.

Mr. B. Newman: But there should be some assurance given that this actually is taken care of.

Hon. Mr. Carton: Right, and that gets back to the point the deputy just mentioned and I mentioned in my opening statement, that we propose to get around to rigid maintenance contracts for all schools.

Mr. B. Newman: Right. Well, that is good.

Mr. Eberlee: It is a little difficult to understand why the owner does not somehow consider it that it is his responsibility, because it is his responsibility.

Mr. B. Newman: Well, regardless of whose responsibility it is, it is no good after 25 or 30 children have been killed.

Mr. Eberlee: That is right.

Mr. Chairman: Boiler inspection. Any further comments? Carried.

Elevator inspection. Any comments?

Mr. Pilkey: What programme of inspection is really going on in the Province of Ontario? We read not so long ago that some

fellow at the Ford Hotel, if you recall, stepped into an elevator and there was no elevator and he ended up 12 floors below just smashed to pieces. Now the result of that, or the explanation that was given at the time was that the inspection of these elevators is really the responsibility of the owners. This firm which took over the Ford Hotel had dismissed the elevator inspection that they had done periodically and really had not bothered with them. Now that was the newspaper report; what the actual facts were I do not know. But this is what the newspaper report said.

As a result of that this fellow, as I say, went down 12 floors; no elevator. He just stepped in. Does the government make periodic inspection of that type of elevator which is in a private establishment? Obviously the reports in the paper indicated that these inspections are done by a private entrepreneur.

**Hon. Mr. Carton:** No, these are done by our inspectors.

**Mr. Pilkey:** What happened in that case then?

**Hon. Mr. Carton:** It had been inspected earlier in the year. You cannot send an inspector every day to inspect every elevator, and inspection had been made.

**Mr. Pilkey:** Okay, inspection had been made.

**Hon. Mr. Carton:** In January or February.

**Mr. Pilkey:** How often does the government provide inspection on these elevators? Let me put that question to you.

**Mr. Eberlee:** Roughly once a year, although it is timed. It is timed on our ADP system to be on the basis of relating to hazard. For example, presumably we would go to the Ford Hotel normally more often than once a year. It depends on the usage of the elevator.

**Hon. Mr. Carton:** There are 75,000 elevators in Ontario and millions and millions of elevator—not that many?

**Mr. Eberlee:** Seventeen thousand.

**Hon. Mr. Carton:** Seventeen thousand elevators.

**Mr. Eberlee:** In this Ford Hotel accident the man had to force the doors open.

**Hon. Mr. Carton:** He had to apply horizontal pressure on it to open that door.

**Mr. Eberlee:** He had to force them open. There was something wrong with the locking mechanism inside which normally would have held that door shut. How he then managed to fall down the shaft is still one of the mysteries that we do not feel the coroner's inquest really cleared up.

**Mr. Pilkey:** I did not hear what the end result was of the coroner's inquiry, but I remember reading it in the paper. You might say that there are 17,000 elevators, but let us face it, we only have one life, and that is pretty important.

**Mr. J. R. Smith (Hamilton Mountain):** He was a dingbat to start with to force it open.

**Mr. Pilkey:** But if an elevator can be forced open! You and I know that doors will come partially open or something; we have often hit them and knocked them open and stepped into an elevator. Jesus, if there was no elevator there it would be quite a shock!

**Mr. Eberlee:** No inspection system will ever be able to guarantee that a fault of that kind does not exist somewhere. Just as no inspection system could ever guarantee that a wheel might not fall off your car on the way home to Oshawa tonight.

**Mr. Pilkey:** It will not with mine because I have a General Motors product!

**Mr. Eberlee:** It is impossible.

**Hon. Mr. Carton:** Let the record show I have, too.

**Mr. Eberlee:** Touch wood, though! Touch wood!

**Mr. De Monte:** How about in the Toronto Dominion Centre where there are really high speed elevators? How often are they inspected, or are they inspected by the department?

**Mr. F. W. Ehmke (Elevator Inspection Branch):** I would say once a year.

**Hon. Mr. Carton:** They, of course, are on a constant maintenance contract.

**Mr. Eberlee:** They are on full maintenance.

**An hon. member:** What does that mean?

**Mr. Eberlee:** A good maintenance contract by an elevator company.

**Mr. Pilkey:** Was the Ford Hotel not on a maintenance contract?

**Mr. Eberlee:** No.

**Mr. Pilkey:** The previous owner said that they were.

**Mr. Eberlee:** He cancelled it.

**Mr. Pilkey:** Right, the new owner cancelled it.

**Mr. De Monte:** There may be some negligence on the part of the new owner perhaps. Could there be?

**Hon. Mr. Carton:** They are sub judice now, I believe.

**Mr. De Monte:** Are they sub judice now? I am wondering, in the Toronto Dominion Centre, if they have a private maintenance contract, how often would they inspect the elevators?

**Mr. Ehmke:** Under a private maintenance contract? In the Toronto Dominion Centre they have elevator mechanics, resident mechanics, there 18 hours a day.

**Mr. Chairman:** Is elevator inspection carried?

**Mr. B. Newman:** How about construction hoists? The hoists used to bring up the heavy material to the tops of buildings? Is that inspected on a regular basis?

**Mr. Eberlee:** Yes.

**Hon. Mr. Carton:** The plans are approved, are they not, before they are allowed to be operated? They are inspected by our department.

**Mr. De Monte:** I take it that workmen are not allowed on the elevators, the hoists that take up materials? I know in my day we were not allowed to.

**Mr. Eberlee:** No, they are not.

**Mr. Ehmke:** Workmen are not permitted to ride on the material hoists but there are workmen's hoists. They use them for both workmen and materials.

**Mr. J. R. Smith:** Mr. Chairman, is there a uniform provincial call regarding who is responsible to release or free a passenger who is trapped between floors of apartments?

**An hon. member:** Yes, Mr. Davis.

**Mr. J. R. Smith:** Is it the fire department? Is there an obligation on the municipal fire departments to answer the call? Or is it the elevator service firm which has the contract for the particular apartment building?

**Mr. Eberlee:** There is nothing specific on that point. I do not think it has ever been a problem getting someone to respond.

**Mr. Chairman:** Do you know of a case, Mr. Smith?

**Mr. J. R. Smith:** There has been a controversy, I think, in Hamilton. The member for Hamilton East is probably more familiar with them, they were in his riding. In several of the new highrise buildings on Barton Street people were trapped and there was a minor controversy over whose legal responsibility it was.

**Mr. Chairman:** That is public safety I think.

**Mr. Gisborn:** It was not in my riding. It was in Hamilton West riding. We did get into an argument on whose responsibility it was to touch the controls, to reset them, or whatever the problem was. The fire department would not touch them; the maintenance inspector would not touch them. They had to find some chief from some place before they would touch the controls. I think it is a question that should be cleared up and a directive issued on just how they are handled when it happens.

**Mr. Chairman:** Any answer or comment?

**Mr. B. Newman:** Mr. Chairman, I want to ask the minister if there have been any problems with ski tows or ski lifts. In my family we had an unfortunate accident at one time with one of these ski tows and I would hate like the dickens to see that type of accident—

**Hon. Mr. Carton:** There was one at Mount St. Louis this past winter, a 16-year-old girl. Apparently she had been warned six times at least and this was borne out in evidence by witnesses. Her hair was shoulder-length or whatever it may have been and it just caught—she also had a long scarf—and it caught in the—

**Mr. B. Newman:** The operators warned her well enough in advance?

**Hon. Mr. Carton:** Yes, in fact the jury found there was no negligence. It was just one of those most unfortunate things.



**Mr. B. Newman:** There have been no problems though with this at all?

**Hon. Mr. Carton:** I do not think so.

**Mr. Lewis:** Is anything being done—

**Mr. Chairman:** Is item 4 carried?

**Mr. Lewis:** I was in mid-sentence! How could you carry it? Has anything been done about the elevators in this building? I am asking quite genuinely. No less a man than the Premier (Mr. Davis) himself has been trapped in an elevator for half an hour.

**Hon. Mr. Carton:** The quietest 22 minutes he had I guess.

**Mr. Lewis:** Was it 22 minutes? The province nearly ground to a halt while he remained between floors. He is suspended most of the time but not so graphically. I would think that something can be done with these elevators. I just want to put this very modest little point: That not only are these elevators terrifying to use but they never work. One might appeal that around these auspicious public buildings something can be done.

**Mr. Chairman:** This might be a good place for a maintenance contract.

**Mr. Lewis:** I do not like contracting out but I would hate to see, for instance, the entire cabinet trapped in an elevator at some time in the buildings. You might have a coup d'état.

Item 4 agreed to.

**Mr. Chairman:** On item 5, construction safety. **Mr. De Monte.**

**Mr. De Monte:** Construction safety; the \$411,000, is this given to the Construction Safety Association?

**Hon. Mr. Carton:** No, this is a construction safety branch, our own branch, that does inspection and works in conjunction with the municipal inspectors around—

**Mr. De Monte:** This is not the same as the Construction Safety Association?

**Hon. Mr. Carton:** No, it is not. The Construction Safety Association has nothing to do with my department per se.

**Mr. De Monte:** That is the donation made by the Workmen's Compensation Board.

**Hon. Mr. Carton:** Right.

**Mr. Chairman:** Mr. Smith.

**Mr. De Monte:** No, I still have something to say in connection with construction safety that deals with—I am not trying to be funny—safety on construction, does it not?

What specific duties does it have in contradistinction to the duties of the Construction Safety Association? I take it that the construction safety in this vote is actual construction safety inspectors going on the construction sites from the minister's department and checking on the safety of the machines and the workmen on the job.

**Hon. Mr. Carton:** We operate under The Construction Safety Act, section 10 of The Department of Labour Act and The Trench Excavators Act. The other association you are mentioning is an educational body that operates.

**Mr. De Monte:** I see. I notice that the sum voted to the construction safety branch is about three times as high as the sum given by the Workmen's Compensation Board. I think there is quite a difference, is there not?

Last year they got something like \$1.5 million if I am correct. I am not sure of that. Is that correct, Mr. Chairman?

**Hon. Mr. Carton:** I am advised by the deputy that that is right.

**Mr. De Monte:** I have to talk about the Construction Safety Association—there are a few questions I want to ask. How many accidents took place on construction sites last year?

**Mr. Eberlee:** Mr. Cleverdon says that there were about 18,000. That, of course, would cover the most severe down to the less severe. These were all reported under the Workmen's Compensation.

**Mr. De Monte:** How many fatalities were there on construction sites last year?

**Mr. Cleverdon:** Forty-one.

**Mr. De Monte:** Forty-one fatalities. And how many accidents? And I take it that, in that connection, the industrial safety branch works under the same scheme; they carry out certain Acts that are enacted and that you enforce. Is that correct?

**Hon. Mr. Carton:** That is right.

**Mr. Eberlee:** The difference though is that this branch works through municipal inspectors; in addition to this group there are about 240 municipal inspectors who do the actual enforcement. Our men are supervising and training them and so on, whereas the industrial safety group from our department do all of the enforcement.

**Mr. De Monte:** I see. In other words, that is a distinction: in the construction safety you have your men and the people at the municipal level. In industrial safety your men do all the inspection. How many industrial accidents were there?

**Mr. Eberlee:** Mr. McNair advises us 61,000.

**Mr. De Monte:** How many fatalities?

**Mr. Eberlee:** Forty-six.

**Mr. De Monte:** That is a high accident rate for construction, is it not? It is extremely high in relation to industrial. There is quite a difference in the amount of man-days worked, between the two, is there not?

I am wondering, and this question has entered my mind before: what is the purpose of the Construction Safety Association? They spend a little more than three times as much money as you have allotted to you under construction safety. I guess that does not include the amount spent by the municipal people, but you would not know that amount.

**Mr. Eberlee:** I suppose 250 inspectors multiplied by \$7,000 or \$8,000—\$10,000 counting travelling expenses. Maybe \$10,000 per man.

**Hon. Mr. Carton:** That is \$2 million, and that would not be the total budget for the Construction Safety Association. They would have moneys coming from elsewhere.

**Mr. De Monte:** The point I am trying to make is, what is the real purpose of the Construction Safety Association and the Industrial Safety Association? They do not make any inspections, really, and the people that I understand are appointed are usually from industry. Are they not from management?

**Hon. Mr. Carton:** I think perhaps, Mr. De Monte, that you should discuss this again in conjunction with the Workmen's Compensation Board because this is not under our department.

**Mr. De Monte:** The trouble is I never get a chance to discuss it, really.

**Mr. Chairman:** There is a real difference, Mr. De Monte. Perhaps I can enlighten you somewhat. The real difference is that these are inspectors for physical structures. The other one is an educational function, plus advertising on TV, radio—

**Mr. De Monte:** A lot of money to spend on education when you have a death rate in construction safety of 41 people and 18,000 accidents. There has got to be something wrong.

**Hon. Mr. Carton:** It might have been 141 without it.

**Mr. De Monte:** Could be, but it seems to me that they are spending an awful lot of money on advertising and not enough money on inspections. Perhaps if we were to allot the money that we give to the Construction Safety Association to hiring more inspectors, perhaps we might be able to cut down the accident rate and the fatality rate quite substantially. I want to put on record that it seems to me a lot of money to spend for education when we have 79,000 accidents and 47 fatal accidents in Ontario on both industrial and construction sites.

The construction fatality rate is fantastic when you look at it. No doubt that they work in some extremely hazardous conditions, but—

**Mr. Eberlee:** I think we would have to include in that figure, accidents on the highway: cement-truck drivers, truck drivers, and all the rest of it. Those are not all construction fatalities.

**Mr. De Monte:** How many would be?

**Mr. Eberlee:** They are people who are working in the construction industry at the time, but some of them are highway traffic accidents.

**Mr. De Monte:** Probably they are.

**Mr. Eberlee:** I am not trying to minimize them.

**Mr. De Monte:** I know you are not trying to minimize them—but the point I am trying to make is that perhaps you are spending a bit too much money on advertising and not enough on construction safety.

I think that perhaps you might rethink the allotment the board makes to the associations.

**Mr. Boyer:** I wonder though, Mr. Chairman, if inspections could possibly take the

place of the advertising that is referred to here. This advertising is warning workers to watch out for hazards, wear hardhats at all times—all this sort of thing.

**Mr. Chairman:** They are two completely different things.

**Mr. De Monte:** Ah yes, but, Mr. Chairman, at 1.30 in the morning the Workmen's Compensation Board and the Construction Safety Association put a blurb on TV and you mean to tell me that is going to get across?

**Mr. Boyer:** No, that is not the kind of thing I mean at all.

**Mr. Haggerty:** On American channels, too.

**Mr. Chairman:** Mr. De Monte, that is not under this vote. That is under the Workmen's Compensation.

**Mr. De Monte:** I never get a chance to discuss it under any vote. That is the problem.

**Mr. Haggerty:** I think you are wrong.

**Mr. De Monte:** Just a moment. I just want to make a point.

**Mr. Chairman:** You are questioning an expenditure of a safety association which is responsible to the Workmen's Compensation Board.

**Mr. De Monte:** I have had that excuse for three years.

**Mr. Chairman:** You examine it when the Workmen's Compensation Board is here and make a note so that you can do it.

**Mr. De Monte:** I would just like to say something about it, Mr. Chairman. I just wanted to say, and I am going to say it, that it seems redundant to me to pay all that money for advertising when you could be inspecting the sites and making sure that the conditions are such that the men do not get involved in this very, very great number of accidents.

**Mr. Boyer:** Mr. Chairman, if I may say so—having been associated with small industry for years—I think that the work that this particular association does, not only in education but in inspection, is excellent and I am sure that it leads to far safer conditions throughout all industries in this province. I do not think the remarks that this member has made tonight are based on an understanding of the situation in any respect.

**Mr. Chairman:** It is a very broad field.

**Mr. De Monte:** That is your privilege, but I am saying—

**Mr. Boyer:** That is my experience.

**Mr. De Monte:**—the money is being wasted the other way.

**Mr. Boyer:** I would say from experience that is a wrong statement.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** I want to get to the construction safety and I want to make a referral to the estimates last year and the statement by the former Minister of Labour (Mr. Bales).

Let me say this at the outset: it appears to me that there just has not been much improvement in construction safety in the Province of Ontario or the fatalities that have resulted in the construction industry.

I know that the minister at that time said "we must continue with inspection service and we must persuade both the executive and workers in the industry to emphasize safety in all of their activities." He went on to say that "improving inspection is one of our major responsibilities. To this end we devoted a great deal of attention in the past year."

Improving the inspection—what did they do to improve the inspection? There is only one way in my view to improve the inspection and that would be to have more inspectors and to provide more money in this area. Well, it does not appear to me you are going to take on anyone in this budget because it is estimated that for construction safety \$366,000 be spent as opposed to \$330,000 last year, and if you take the increases I would hope that you are going to give the employees a raise.

**Mr. Chairman:** Mr. Pilkey, you are quoting the wrong figure—it is \$411,000.

**Mr. De Monte:** It is \$43,000 more than last year.

**Mr. Chairman:** It is the 1971-1972 estimates.

**Mr. Pilkey:** Well okay, \$43,000. That is not more than what the increases in salaries will take. So it appears to me that there really is not anything that you are doing there to improve inspection in terms of at least adding more inspectors.

Well, he went on to point out he wanted to establish closer relationships with the



municipal inspectors in that field, and I am wondering why the government does not have complete control over construction inspection in the Province of Ontario as opposed to having municipal inspectors involved as well. I suppose you will tell me that you can work out co-ordination and co-operation with the municipal inspectors, but it just appears to me that in this area, particularly of construction safety, that the province should assume the total responsibility in that area as opposed to working with some other jurisdiction. I just happen to think that if we are really going to enforce the legislation that is relevant to this area we need to have our own people in the field because I say very frankly there is no improvement.

Now I do not know what you did in trench excavation, but you did make some improvement there. The fatalities went down in that area. I do not know what you did but obviously somebody turns the heat on some place and maybe it was Gallagher pulling all those guys off the job that forced somebody to take some action, but if you can do it, there—make the kind of improvements that you have since 1965 in trench excavation—then surely you can make some improvement in this other area.

I just wanted to know what the minister had to say in regard to improving the inspection in the construction area?

**Mr. Chairman:** Mr. Minister.

**Hon. Mr. Carton:** Mr. Eberlee just pointed out to me that in trenching, if you shore, there are no accidents, and in construction, of course, there are all kinds of accidents that can happen.

Generally speaking, Mr. Pilkey, in answer to your question about construction safety there have been briefs presented by labour and management, and construction associations, etcetera, with a view to the problem of taking over this whole field of construction safety, and possibly bringing in a new Act that would consolidate The Construction Safety Act, department 10 of The Labour Act, and The Trench Excavators' Protection Act.

This is being considered. Again it is a question of dollars because we presently have 270 municipal inspectors aiding us—

**Mr. De Monte:** Is that province-wide?

**Hon. Mr. Carton:** Province-wide. And our staff presently is 25. So for us to take over

completely you can see that we would be into an area where we would need 10 times the budget we presently have today. And this matter is being studied and given very serious consideration.

**Mr. Pilkey:** But last year the minister said that your efforts—and I am talking about the government now—were supplemented by more than 1,200 municipal inspectors, not 200, who assisted us in policing legislation relating to the construction industry.

**Mr. Eberlee:** He was counting in as well the trench inspectors. Each one of the municipalities, each one of the local municipalities is required to appoint a trench inspector as well. So we have roughly 1,200 people.

**Mr. Pilkey:** I was just wondering where the minister came up with 200-some.

**Hon. Mr. Carton:** It is 270.

**Mr. Pilkey:** Last year they said there were 1,200 inspectors in the area supplementing your inspectors work. How many inspectors would your department have over all? You said 25?

**Hon. Mr. Carton:** We have a staff of 25. There is the head of staff who is a professional engineer; there are three professional engineers on his staff; 18 construction safety officers; and an office staff.

**Mr. Pilkey:** But 25 versus the municipality's 207 just leaves me to believe that the great bulk of the responsibility you are leaving at the doorstep of the municipalities as opposed to the province, obviously. It is 10 to 1. Nine to 1 in any event. It appears to me—I think it is really the responsibility of the provincial government to take these inspections on and have the responsibility of any safety measures that might be prevalent. How do you take 207 municipal inspectors—probably one in each municipality—

**Hon. Mr. Carton:** Two hundred and seventy.

**Mr. Pilkey:** There are 207 jurisdictions, and try to co-ordinate that on the basis of a standard of inspection or anything else. How are they trained? I understand that you are carrying on training programmes for your people. I do not know if you are doing that for the municipal inspectors as well.

**Mr. Eberlee:** Yes, for the municipal inspectors, right. There are not 250 or 270 jurisdictions here; what is it, 270?

**Hon. Mr. Carton:** Two hundred and seventy.

**Mr. Eberlee:** There are not that many jurisdictions. Each county must appoint, each city, each borough of Metropolitan Toronto and each separated town. So I suppose there are roughly 107 jurisdictions. Then our men are dispersed across the province and they are in effect supervising inspectors for this municipal group. Their relationship is on a day-to-day basis. To all intents and purposes the municipal group is our field force. They work with us, they take direction from us.

**Mr. Gisborn:** Do you pick up the tab?

**Mr. Eberlee:** No, the municipalities pick up the tab. We are pleased with the quality of these people. Over the years the quality has built up. We train them, we go out on joint inspections with them from time to time.

**Mr. Pilkey:** But obviously the results are totally inadequate if we are going to come to grips with the incidence of accidents in the construction industry and the incidence of fatalities. You have not improved one bit. In 1970 you said there were 41 accidents, and I think it was about the same in 1969 as it was in 1970, and in 1968 you had 37, so you really have not done anything significant in this area other than maintain the status quo. But you have not significantly reduced the fatal accidents. That is important. Most of these people killed are family men. And it is just a crime that kind of thing can happen. I appreciate the human element is involved. You are not going to build a system that is infallible. But by the same token I think that there has to be tremendous concentration in this area if we are going to bring those figures down to something more reasonable than they are today.

**Mr. D. C. MacDonald (York South):** A rather unhappy analogy comes to mind. For years, the government trained and supervised assessors and you finally threw in the towel and said, "If we are going to do a job across the board with standards that are defensible and so on," you moved in and are doing the whole job. I do not want to pursue that analogy any further because there is a lot of flak going around that issue but it seems to me there is the added factor here of human lives.

**Mr. Chairman:** Mr. Smith.

**Mr. J. R. Smith:** Mr. Chairman, one of the tragic elements of our society is the ever-

increasing number of fatalities in construction and industrial accidents. It certainly seems ridiculous that the Province of Ontario can busy itself with inspectors chasing little old ladies to see what kind of stuffing they put in their teddy bears and whether or not they have a licence to stuff them, and yet we are so short of industrial safety inspectors.

Another matter that has not been touched upon this evening—and if I had known it was going to be discussed tonight I would have searched out the correspondence with the previous minister and the inspection department—concerns the jurisdiction and inspection of cables and other safety devices on the cranes used by engineers in building new highrise construction.

Undoubtedly, the ever-increasing upsurge in highrise construction has opened up a whole new field of this very specialized type of crane operation which takes the material up for this prefab construction technique. This winter, I had an engineer visit me who worked on one of these machines on the McMaster project in Hamilton. He informed me that he was convinced that the contractor was warned in advance of the visit of the municipal inspectors.

It got to the point that because of the undue number, the tragic number, of engineers who have been killed in Hamilton-Wentworth in the last two years—it is quite a number of men who have been killed—he refused to operate his machine. Subsequently he walked off the job and reported it.

I was not really satisfied with the answers that came back from The Department of Labour and so on. This particular engineer worked at this skill all his life. Many of these men are fearful of operating these machines, because the safety devices and the cables are thin or are not adequate. Now the fact is there are probably more inspectors per elevators than there are on these cranes and other projects.

The fact that they are multi-million-dollar jobs—the volume dollar-wise and the construction hours, the manpower hours—they demand greater construction inspection on these jobs. I marvel at the skill of the workmen on these projects and from my inexperienced knowledge of construction, I can see the dangers involved.

Another matter is, I would like a report from The Department of Labour on the safety conditions of the Barber Tool and Die in Hamilton—



**Mr. Chairman:** That would be under industrial safety.

**Mr. J. R. Smith:** —and the number of accidents they have had.

**Mr. Chairman:** The next vote.

**Mr. J. R. Smith:** All right.

**Mr. Pilkey:** I want to make—

**Mr. Chairman:** Mr. MacDonald has the floor.

**Mr. Pilkey:** Sorry.

**Mr. MacDonald:** The general comment I want to make, Mr. Chairman, is to come back to the minister's comment in laying major emphasis on cost at being a serious consideration if you were going to move into—

**Hon. Mr. Carton:** I am not saying I am opposed to that.

**Mr. MacDonald:** Okay. The point I want to make—I can be on your side—is that it is about time you got out of the horse and buggy age in this department. I made a check and it is really ludicrous that in the major industrial province of this nation our budget for The Department of Labour is \$26 million; our budget for The Department of Agriculture and Food is \$52 million. I am not complaining about the money that is being spent for the agricultural industry, but that we have lagged so far behind—

**Mr. J. R. Smith:** They never lack for money do they, the farmers?

**Mr. MacDonald:** I am not even going to indulge in that sort of urban backbiting. But all I am saying is that we have lagged so far behind in terms of developing a really meaningful Department of Labour in all the jobs that need to be done.

If I had known this was going to come up and I had not come in here late I would have dug the thing out. Somebody—three or four years ago I used to go out on the hustings and I recall it now—dug out figures to indicate that there was far more being spent in The Department of Agriculture and Food in control of the warble fly or coming to grips with brucellosis than was being spent on some major inspection that involved literally tens of thousands of workers.

The deputy minister particularly will be aware of the fact that down through the years we have passed legislation in terms of

new standards. They are relatively meaningless because we did not have the inspection staff to enforce them. We trumpeted and we were very proud of our standards, but they just were not being enforced.

My general point, without belabouring it is that we are back in—well, not the gay Nineties; we may have rounded the corner of the century in terms of The Department of Labour that would be worthy of the job that needs to be done in an industrial province like Ontario. I think it is all rather graphically illustrated by the fact that in 1971 we have a Department of Labour budget which is virtually half that of agriculture.

**Hon. Mr. Carton:** Your pleas are falling on listening ears.

**Mr. MacDonald:** You are not a farmer. You come from—

**Mr. J. R. Smith:** It will be all right; we have a better minister now.

**Mr. Chairman:** Mr. Pilkey—

**Mr. Lewis:** Is that so?

**Mr. Pilkey:** The only other thing that—

**Mr. Lewis:** Just a second. I just want to get that slander on Hansard.

**Mr. J. R. Smith:** Hansard got it all right.

**Mr. Lewis:** Hansard got it okay? I will ask Mr. Bales tomorrow what he feels about it.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** The only other thing I wanted to say was on this whole question of municipal inspectors, and why I think the government should control it as well. Because, you know, the municipalities, these inspectors—I do not want to accuse them; let me say the potential is there. They get to know the contractors in their area and there are things that can be overlooked. It appears to me that the province should have control. No inspector should remain in one area for 10 or 20 years. They could move them around so that they do not become too familiar with the contractors in that specific area.

As I say, I am not suggesting that anything is amiss. All I am saying to you is that the potential is there to overlook things that should be brought to light. A contractor who gets to know the inspector very well, probably even to the extent of visiting the bar together as friends—



**Mr. J. R. Smith:** Shame, shame!

**Mr. Pilkey:**—I just happen to think that potential should be eliminated. The only way it can be eliminated is that the province take over the complete jurisdiction of inspection and I just do not think that that would happen. I am not suggesting it is.

**Hon. Mr. Carton:** One other point—I thought this was the point that you were going to make—it sort of stuck in my mind. I could be wrong in this; it was my understanding that the municipalities would have to pay the costs of prosecution as it presently stands. Is this correct?

**Mr. R. K. Cleverdon** (Construction Safety Branch): They carry part of the cost themselves. We also do part for them, voluntarily.

**Mr. J. R. Smith:** How many prosecutions were there last year?

**Hon. Mr. Carton:** Two hundred and thirty-six convictions and 45 dismissals.

**Mr. J. R. Smith:** How many prosecutions in Ontario?

**Hon. Mr. Carton:** Two hundred and eighty-one.

**Mr. J. R. Smith:** Do we have that breakdown by municipalities, large urban municipalities?

**Hon. Mr. Carton:** I do not have that in hand; I am sorry.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Yes. How many inspectors are there in the Niagara region now? At one time there used to be one for the county of Welland and I think one for the county of Lincoln.

**Mr. Cleverdon:** I will try to do it for you from memory. There are two full-time in St. Catharines; two full-time in Niagara Falls; one full-time in Port Colborne; one full-time in Welland and one more for the region.

**Mr. Haggerty:** Yes, that has amalgamated some of the municipalities.

**Mr. Cleverdon:** That is right.

**Mr. Haggerty:** It is the county no longer—or the region. The regional inspector will not go to the local municipality. The person who is in charge of this now is he appointed by the municipal council or by bylaw?

**Mr. Cleverdon:** I think they are by bylaw. I am not sure how it is done, actually, administratively.

**Mr. Haggerty:** That is for trenching, right?

**Mr. Cleverdon:** This is construction safety.

**Mr. Haggerty:** Yes, but this is for trenching purposes under municipal bylaw. You appoint an inspector, usually a road superintendent, or somebody in the road department looks after it. Now who looks after it when you are in the construction field of homes and buildings in the area?

**Mr. Cleverdon:** There are three quite separate laws governing construction safety. The Construction Safety Act itself covers buildings, structures, streets and highways primarily. That is handled by the county or region or city construction safety inspector. Trenching, for sewer and water main construction and similar things, is handled by the local municipal trench inspector of the city, town, village or township. They are quite separate functions. There is an overlapping of the two but they are separate functions.

**Mr. Haggerty:** I am just trying to get to the point; is this a full-time job or a part-time job? Would a building inspector also be the construction inspector?

**Mr. Cleverdon:** Of the 276 construction safety inspectors as of the end of last year, roughly 100 were full-time men.

**Mr. Haggerty:** Full-time.

**Mr. Cleverdon:** The balance were part-time building inspectors or building commissioners and so on.

**Mr. J. R. Smith:** Shameful, a shameful record.

**Mr. Cleverdon:** Of the trench inspectors, most do something else as well as trench inspection.

**Mr. Haggerty:** This is right. What it boils down to they cannot do the job right. There is no justice being done—

**Mr. J. R. Smith:** He probably has to collect dogs every Wednesday afternoon.

**Mr. Haggerty:** This is what I found out, being a member of county council, that there used to be one person appointed. If you take all the building construction going on throughout the county, he could not do justice to his job. Probably everybody would

come in and apply for a building permit, and that is when he would put down he has made the inspection, but I think he never actually made the inspection. He could not possibly do it, and I do not think they can do it today with the number of foundations that are being built for homes and that; he cannot be in every place at once. It is very fortunate that you do not have more accidents.

**Mr. Eberlee:** We receive an annual report from each municipality that has the responsibility for it. In 1970, there were 120,904 inspections, 21,833 orders to comply and 4,789 stop-work orders. That would surely indicate there is quite a bit of activity going on—

Interjections by hon. members.

**Mr. Chairman:** Order, please.

**Mr. De Monte:** Maybe there should have been 100,000 stop-work orders, but the point seems to me that—

**Mr. J. R. Smith:** Would you have Mr. Eberlee read those again?

**Mr. Gisborn:** Go upstairs and get your book and read them.

**Hon. Mr. Carton:** There were 120,904 inspections; 21,833 orders to comply and 4,789 stop-work orders.

**Mr. J. R. Smith:** Thank you.

**Mr. Chairman:** Mr. Gisborn.

**Mr. Gisborn:** What, in the opinion of the director of construction safety, is the complement now? Is it up to date? When we developed the Act and passed it, we set down a criteria for the numbers needed in the counties and municipalities. The municipalities just said, "Go fly a kite. We are not going to hire that many inspectors." This went on for quite some time and we had to complain. You had a criteria set down. You arrived at some number. Are we up to full complement of municipal and county inspectors at the present time?

**Mr. Eberlee:** We never established a complement as such.

**Mr. Gisborn:** You issued a statement saying you needed this many in certain areas and that they were short of complement.

**Mr. Eberlee:** I think when we went around on our various missionary endeavours to the

county councils they were advised to hire X number of inspectors because they had Y amount of construction activity.

**Mr. Gisborn:** That is right.

**Mr. Eberlee:** But we had no overall figure.

**Mr. Gisborn:** Are you satisfied that we have sufficient complement of inspectors?

**Mr. Eberlee:** We are never satisfied.

**Mr. Gisborn:** I was reading the report, too, and it says all the annual reports for the municipalities which appointed construction safety and trench inspectors for the calendar year 1970 have not yet been received. We are five months into 1971 and all of them have not reported on their 1970 activity.

**Mr. Eberlee:** I will have to confess that this book was prepared about April 1 and they—

**Mr. MacDonald:** You expected your estimates that early?

**Mr. Eberlee:** We did, yes. Always be prepared.

**Mr. Gisborn:** That is three months ago. How do you stand now?

**Mr. Cleverdon:** There are two still missing. One inspector went blind during the year. That is the reason in his case.

**Mr. MacDonald:** Some people think there are many of them blind.

**Mr. Gisborn:** The figures we get on the summary of activities are 120,904 inspections issued; 21,833 orders to comply; 4,789 stop-work orders and 426 informations laid, resulting in 235 convictions and fines totalling \$47,188. That is a few cents over \$200 per conviction. I think this is where we are running into our problem, the same as with the convictions—18 informations laid and five convictions and fines of \$1,500 for violations of The Trench Excavators' Protection Act. It averages out to about \$300 per conviction. Are we getting enough; are they being treated rough enough to sharpen up their function in this deal or are they getting off? That is a lot of informations and a lot of stop work orders.

**Mr. Eberlee:** There is no way really to answer your question. Obviously, I could not say—

Hon. Mr. Carton: A stop-work order would be equivalent to a fine—in some cases far worse.

Mr. MacDonald: It usually carries a penalty.

Mr. Chairman: Item 5 carried?

Mr. Gisborn: What is the maximum fine under the Act?

Hon. Mr. Carton: It is \$5,000.

Mr. Gisborn: Five thousand dollars? And these all average out at \$200 in one case and \$300 in the other?

Mr. Chairman: Mr. De Monte.

Mr. De Monte: In connection with caisson's disease, how much underground work under pressure is going on in Ontario right now? How many men would be working under pressure?

Mr. Cleverdon: Right now there are five compressed area jobs in Ontario. None over 14 pounds.

Mr. De Monte: Right. Where are they?

Mr. Cleverdon: One in Windsor, and the rest in Toronto.

Mr. De Monte: None over 14 pounds?

Mr. Cleverdon: No.

Mr. De Monte: Do they have pressurized chambers available at all hours in case they go into the bends or anything like that?

Mr. Cleverdon: Yes; they do.

Mr. De Monte: As suggested about two years ago.

Mr. Cleverdon: It was required by law nine years ago.

Hon. Mr. Carton: There has been only one case of bends in the past two years in Ontario.

Mr. De Monte: There are results of bends that are pretty bad, but there are pressure chambers that are required by law and they are available at all times and all hours of the day?

Mr. Cleverdon: Yes, there are.

Mr. Chairman: Mr. Pilkey.

Mr. Pilkey: Yes. I wanted to know, obviously, if the inspector finds a breach of The Construction Safety Act, and makes a report, are these reports given to the workers or their union, if there is a union involved, or are they just processed and the union never knows, unless it comes to a trial or something like that?

Mr. Eberlee: The report is given to the person responsible for the situation on the job. He is given a direction on the job to correct it immediately. Whether the union knows or whether the union does not know, we do not give it to the union. We give it to the person who is responsible for correcting the situation.

Mr. Pilkey: All right; let me ask another question. Let us assume for a moment that the union brings it to the attention of the government inspector or the municipal inspector, whoever might be inspecting that project, and they bring it to their attention and then they make an investigation or inspection of the incident that has been reported. Does the government then give a copy of that report to the union that brought it to their attention?

Mr. Eberlee: We do not necessarily give a copy of the report but we give the union the result of the inspection where we are making the inspection. I cannot speak for the municipalities, for the municipal man, but where we are making the inspection if it is under the caisson regulations, the underground regulations, or under The Industrial Safety Act, we give the union a full report on the result of the inspection.

Mr. Pilkey: But it just seems to me that if we are really serious about this whole question of construction safety, and industrial safety, too, for that matter, then we have to involve the workers and one way of involving them is through their union if it is an organized job. The way to involve them is to make sure they are appraised of the reports and everything else that is going on, so that they can be totally involved. There is no use, in my view, in segregating the organization that represents the workers, or the workers themselves. As a matter of fact, I just feel that the workers should have a report as well, so they know what the government is doing on their behalf.

I do not think you can just make a report to some authority in the government from the inspection and they make from that a determination whether or not they should prosecute. Obviously, I do not think it is the



inspector who makes the determination as to whether they prosecute, it is somebody higher than him, who makes that determination.

I happen to think there has to be total involvement in this whole question of safety; it just cannot be a one-way street, in which somebody makes a report and you do not notify the union of the report. There obviously will be reports that go in that would say that in the view of the inspector, for certain reasons this is not a hazard to the person who is working on the job. I do not know if that is the end of it or not, but surely somebody should be able to question that decision of the inspector.

The only people who are going to question it are the organization that represents those workers on that job, whether it be the steward or the business agent or whoever it might be. But surely those reports should be questioned if the government inspector, in his opinion, feels that that is a safe working condition. He might be right, but surely it should be open to question as to whether it is right or wrong?

I do not think you can carry on a meaningful, safety programme in the construction industry with it all being on one side. On television you are spending all kinds of money; you are telling the workers to wear their hats; to wear their glasses and to wear gloves so that they do not get their hands damaged; you go to great expense to put all this kind of thing on television—but you do not involve them in terms of the reports.

**Mr. De Monte:** You totally ignore them.

**Mr. Pilkey:** Right, they are totally ignored. I question the way you are operating if you are not bringing them in on every step of the procedure in terms of unsafe working conditions that are reported. If that inspector makes a report, that report should be duplicated and in the hands of that worker or union which represents them. In that sense, I think you would have a meaningful programme in combatting the abnormal incidence of construction accidents.

**Mr. Chairman:** Mr. Eberlee.

**Mr. Eberlee:** Could I say this—perhaps it would be better to use the industrial safety branch as an example because it is where we do the direct inspecting. About 95 per cent of the inspections, perhaps more, are inspections initiated entirely by us, with no complaint or anything else.

An inspector has a territory; he covers the territory. He writes orders on the spot. He

is required to write orders to correct this, that or the other situation. He writes them on the spot and he leaves them with the person responsible for the process, the establishment, whatever it is, to be corrected.

In the remaining cases where we receive a complaint from a trades union, we have worked out a very satisfactory relationship and arrangement with the Federation of Labour—with the auto workers, with the steel workers and with the other unions—whereby the complaint is made. The complaint is then taken, investigated; the people in the plant, the steward, is contacted. He is allowed to assist in pinpointing the complaint and in the final analysis, the union receives a report on what the result of this thing was. If they are not satisfied, they can appeal.

Sometimes they are not satisfied, and there are further inspections. In that area, we have a relationship worked out partly because of our joint relationships with the Labour Safety Council and so on, which, as far as we are aware at the present time, is working quite satisfactorily.

**Mr. MacDonald:** Is there any statutory or regulatory limitation or prohibition to making reports—whether they are reports that were made in the normal inspection process or as a result of a complaint—available to the union as well as to the man on the job who is responsible?

**Mr. Eberlee:** It would depend. There is a provision, for instance, in The Industrial Safety Act, that bars the inspector from revealing certain things in the area of trade secrets and that sort of thing.

**Mr. MacDonald:** Trade secrets?

**Mr. Eberlee:** Yes. But I do not suppose there are—we are talking about 50,000 directions a year.

**Mr. MacDonald:** My point is this; if there is no prohibition—I put this to the minister who comes in with a fresh look at the situation—I cannot see why, since your objective is to make the inspection really effective, and you make it really effective by all those involved—the total involvement that my colleague has been pleading for—being aware of it, so that when the inspector moves on—he is not there every day; he comes maybe once a week or once a month or something of this nature—there are going to be a lot of people involved to see that that is being lived up to. It seems to me that it would be

in your interests, for the fulfilment of your stated objective to automatically make every report available to the union as well as to the company or to the supervisor or boss, or whoever it is who gets it in any given circumstance.

**Mr. Chairman:** Mr. Haggerty, on the same point.

**Mr. Haggerty:** Yes, on the same point. Mr. Eberlee has mentioned here before that they do have co-operation with unions. This might be quite so if they raise the issue, but I have seen in industry myself, where the safety inspector will come in and the first place he heads for is the office where he picks up a plant safety inspector and away they go through the plant.

But they never consult the safety committee elected by the union, or by the men themselves in a certain plant. These men are totally ignored, and that is the point, I think, that Mr. Pilkey was trying to get through to you.

You must consult the safety committees of the employees. If you want to cut down the number of accidents in this province, this is one sure way you are going to cut it down. You have to have the involvement of the workers themselves. As long as your men walk into that plant or shop and go directly to the office, the personnel and that, and walk through the plant, you are not getting a good view of the violations of regulations in a certain plant.

I can tell you this, if you go to many of the union stewards, you will get the information you are looking for. In many cases, you know—I have seen it happen myself—all of a sudden there is a cleanup period in that shop and you sit back and you wonder why. And every worker and every employee knows that it is time for safety inspection, and sure enough, in comes your man.

**Mr. MacDonald:** Your procedures bolster the ugly suspicion that there is collusion.

**Mr. Chairman:** Mr. Smith.

**Mr. J. R. Smith:** On the same point.

**Mr. Gisborn:** Maybe the member for Hamilton Mountain was right, that we have a more enlightened minister? We might get him to give consideration to the long-sought objective of joint safety committees, that is by Act.

**Mr. Chairman:** Mr. Smith.

**Mr. J. R. Smith:** Yes, Mr. Chairman, I know several major industries in the province, involving, say, the steelworkers, who have tremendous safety programmes and safety workers themselves. The union works with management and the union members. Now, similarly, more could be done involving the construction workers. The fact remains that with just this pitiful number of provincial inspectors and the 100-odd full-time municipal inspectors, it is rather a hopeless situation at present.

This morning's Globe and Mail had a very pointed editorial on this very same subject regarding the stop-Spadina decision. It said that people today do not always want to be told what they should do. They like to be asked.

You can get this moving up from the ground level, too, from the construction worker. Like the operating engineer who has a machine he is nervous about, a rented machine and he is afraid to operate it. Trying to evoke the response from the workman up through the inspection. But you are going to have your inspection force beefed up and I do not know how the director of the branch can—it certainly must be a most frustrating position for anyone with that responsibility to know that every day safety inspection is so inadequately covered.

**Mr. Chairman:** Mr. Minister, do you have any comment?

**Hon. Mr. Carton:** I have no comment other than—

**Mr. Gisborn:** I would like to raise a point of order. I object to the conclusion that the member for Hamilton Mountain comes to that the operating engineers are frustrated and scared of their machines and it is not correct.

They are certified operators under government licence and they have the power to stop that machine and get it corrected. They are solely responsible. You may find one that has a problem, but I certainly do not want the reflection that hoisting operating engineers in this province are under the duress that he indicates.

**Mr. MacDonald:** He speaks with professional pride.

**Mr. Chairman:** The minister—

**Mr. Eberlee:** I would not want to leave the impression that we in the administration do



not believe in the participation of the employees in this whole safety process, because we do. We fervently do and obviously it is the only way to achieve it and the suggestion that we give reports—maybe that is the answer.

It is not something that has been advocated by the union people with whom we work on the Labour Safety Council, at least in my time, but maybe it is worth experimenting with.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** I just wanted to follow up. What I think is that you made the point that your people go in periodically and make inspections on their own volition. Nobody prompts them to do it.

**Mr. Eberlee:** The computer does.

**Mr. Pilkey:** Well, somebody does, but nobody really asks them because of a condition that might exist. But it just seems to me that if that industry or if that construction group is inspected, and if the inspector went in and made this inspection of his own volition, obviously the inspector should make the report available. I just happen to think that the report should be given to the union or whoever is representing the workers in that specific industry or that construction enterprise. Then I think you really are involving them.

Maybe the report is going to say, "I inspected this on June 9 and as a result of looking the whole operation over, it looks fairly good to me and everything is in order." I do not know what they say. Maybe they say more than that. But surely there is nothing wrong with giving that kind of report to the union that represents those employees to say that they did this inspection. As a matter of fact, I happen to think that it would be a good public relations job for your department to give this kind of report to indicate that someone had been in there and did a fairly comprehensive inspection of that enterprise, because the workers may not know your people and, in walking through, he might think he is trying to sell machinery or something.

**Mr. T. P. Reid (Rainy River):** He might even think he is part of management.

**Mr. Pilkey:** Well, that is right.

**Mr. MacDonald:** Heaven forbid.

**Mr. Pilkey:** As a result, they would not know who this individual was. But for the government to say, "We examined plant A today and this is the report. Everything is in order," what is so wrong in giving that kind of a report to the union which obviously would get back to the workers?

**Hon. Mr. Carton:** Even putting it on the notice board or something.

**Mr. Pilkey:** You might even do that too. You might even put it on the notice board. This obviously might engender some response. They may say that, in their view, everything is not in order and that machine A or machine B is a safety hazard to the people of the plant. That is the kind of response you should be looking for.

In any event, if we have to initiate that kind of response, let us initiate it. In that respect, it would appear to me that we could then come to grips with all of the safety problems that may exist and we just might cut down on the incidence of accidents that happen in the construction industry or other industries as well.

**Mr. Chairman:** Shall item 5 carry?

**Mr. T. P. Reid:** No. I would just like to say a few words in regard to what the previous member has been saying.

It has come to my attention on a number of occasions—and I believe I brought it to the attention of the present minister's predecessor—that often the union will make a complaint on behalf of the work force in the mill or—

**Mr. Chairman:** You are talking about industrial safety. We are talking about construction safety at the moment.

**Mr. T. P. Reid:** Well, let us just say in construction safety, all right? If that pleases the Chairman.

**Mr. Chairman:** That is what we are talking about.

**Mr. T. P. Reid:** These matters are brought to the attention of The Department of Labour, and an inspector is subsequently sent out to investigate the situation. But what often happens, according to my information, is that the inspector who has been sent out does not either consult or talk to the union that requested the inspector in the first place.



He comes on to the construction site or the plant or wherever it is the people are working, makes his investigation, usually talks to the plant management to get, I suppose, among other things, their permission to investigate and then returns to Toronto or wherever without having contacted the union at all.

I would think when the union particularly initiates the request for an inspector that it should be contacted at the same time as the inspector arrives on the scene so that it can point out to him exactly where they feel the complaint lies.

**Mr. Chairman:** You are still on the next vote, Mr. Reid.

**Mr. T. P. Reid:** It is part and parcel of the same thing, Mr. Chairman. I wonder if I could perhaps elicit a response from the minister. How does he feel about this situation?

**Hon. Mr. Carton:** Well yes, their instructions are to do exactly what you wanted them to do. Whether or not they do it of course, may be a different thing; but those are their instructions.

And I agree with you, where you go somewhere and you talk only to the employer you are not going to get a sufficient response for the purposes of our investigation.

**Mr. T. P. Reid:** So directives have gone out to the inspectors in this regard, I gather. And if we run into these situations, if we bring them to your attention, sir, and I have great faith in your abilities, it will be remedied.

**Mr. Chairman:** Item 5 carried? Item 6, industrial safety.

**Mr. Pilkey.**

**Mr. Pilkey:** Yes, if I might make a comment on this whole question of industrial safety: It was raised a moment ago about joint safety committees. Ever since I have been in this House I have urged the government to pass legislation that makes it mandatory that there be joint employer-employee safety committees.

I want to tell you that in most collective bargaining agreements in this province you will not find any place where there are joint health and safety committees. Now it is not that the unions have not requested that kind of an agreement. It is just that they have

not been able to achieve it from the employers.

The employers in this province guard this domain very jealously. They do not want employee participation in safety because it might at times interfere with their production.

So they do not want it and I want to tell you in my view most employers would take a strike in this province before they would accept joint health and safety committees with the employees, and as I said in my view the reason they oppose it so bitterly is that it would interfere, in their view, in the production in that plant. So the number of collective bargaining agreements you find with that kind of an agreement would be rather minimal, in my view, in the province.

Now you did in The Workmen's Compensation Act. There is a section in that Act which says that if there is an abnormal incidence of accidents in an industry the minister—I believe it is the minister; no, the board—is it the board—has the right to insist that there be a joint health and safety committee in that specific industry.

You took a very small step in this regard, but I just happen to think that you should go all the way because safety, in itself, is not the sole prerogative of management. It just happens that the workers are affected by the kind of safety standards that an employer would set up in his enterprise. I want to tell the minister that the only way this is really going to come about is that the government will have to legislate in this area.

I want to suggest to him that if there were joint safety and health committees in the industries of this province the incidence of industrial accidents would go down dramatically.

Let me tell you what happens in plants that do have them. In the plants that have joint industrial safety committees, each week the management and the union go on an inspection tour of that plant. They go all through it and they look over every machine and everything that is in the plant and they make a report back to the top management. It is a joint report, not a report of the management.

I do not care whether it is a union or whoever might be in that plant, even if it is an unorganized plant, they could set up a joint safety committee which would go around and every place where they felt that a machine was unsafe—a situation that would create a safety hazard—then this would be

brought to their attention and they would have to rectify it as well. Where there are joint health and safety committees—I can only guess this because I have not done any analysis of what the incidents are—my guess would be that their safety record is much better than those establishments where there is no joint safety committee. I think it is that important.

If this government is really interested in developing a safety programme I think you ought to insist as a government that the employer be obligated to set up this kind of a joint health and safety committee by legislation. As I said, it is not going to be easy. You are just going to get a hell of a lot of flak from the industrialists in this province. Make no mistake about that. They are going to come down on you pretty hard, but if you really are serious about coming to grips with it, I just think that is what you have to do.

You can spend all the kinds of money you want on inspectors and inspections but until it gets down to the grass roots to determine as to whether there is a safety hazard in a plant, then I do not think you are going to make the kind of progress that is necessary to get at this damnable problem. It has just increased. Look at the money that we are spending through workmen's compensation on industrial accidents.

Mr. De Monte: Alone.

Mr. Pilkey: Millions and millions of dollars, and I am sure that a lot of that could be avoided. But it is not going to be avoided as long as the employer has the sole responsibility of making all the determinations, because they will cover it up if you call your inspector in. I just think that is what is necessary if we are really going to come to grips with it.

Mr. Chairman: Mr. Haggerty.

Mr. Gisborn: Is there any case of the board exercising that prerogative, to your knowledge?

Hon. Mr. Carton: Not to my knowledge, Mr. Gisborn. Mr. Pilkey, there are collective agreements with this in, though?

Mr. Pilkey: Oh yes.

Hon. Mr. Carton: Right. Can you tell me one or two big ones?

Mr. Pilkey: I cannot tell you any big ones, because it is in the big unions that they

have the difficulty. And frankly, I sense that they are not prepared to take the employers on in a strike to establish it. They look at it, it is going to be a long protracted strike if they take them on and I would think they are backing off.

I will tell you one plant that has it in Oshawa—the Houdiable industry and maybe Duplate. Now these are smaller plants who employ probably 500 or 600 employees. But not in the large industries—and they are not immune from industrial accidents—you try to establish a joint safety committee in General Motors, or Ford, or Chrysler, or American Motors, or Stelco in Hamilton, I doubt whether they have it. You try to establish them there. You would have one of the damndest fights. You think you are fighting for a dollar an hour? That would be much easier than taking that one on, because they are going to battle.

And I know what the reason is for it; it is going to interfere in some of their production, because the committee is going to say "Look, you have to correct that situation. It cannot continue, and the guys ought not to work under those unsafe conditions," but in other places they can hide them, it does not come to light. But if you are really serious about this, I just happen to think that is one way to zero in on them.

Mr. Chairman: Mr. Haggerty.

Mr. Haggerty: Mr. Chairman, I believe Mr. Pilkey has hit upon an important subject. I think that it is time we called for action in this province. I think there is a definite need for more inspection in industry to inspect the working conditions, the total plant environment.

The Department of Labour, with the assistance of The Department of Health, should apply all its resources to providing the necessary laboratory research to provide this province with an effective occupational safety and health bill. That is what we want. That is the thing that this province needs—a safety and health bill.

At the moment, only a small fraction of possible illnesses are recognized as being attributable to working conditions. When one reads reports and studies that have been completed in other countries and many industries, one feels there is an impending crisis in health and safety as a result of new industrial systems and chemicals that develop in the rapid change of today's technology.



Mr. Minister, the hour is getting late here and I could perhaps get into more detail on this subject. The Industrial Hygiene Foundation in the United States, a research association of some 400 member companies, has formally called for a national programme of research and action on in-plant health problems. So they have given consideration to the problems that exist in the United States, and they exist in our plants in the Province of Ontario.

Management should be compelled to publish what it knows about exposures to harmful material. I think this is another important thing that should be done in this province.

What research is done by the government department is inadequate, with little data or information on human exposure. I speak particularly of silicosis; you know what this involves. There has been some research. The Ontario Research Foundation, at Sheridan Park, has spent millions of dollars in producing new ways of improving industrial processes, say, for the production of nickel, steel, oil and so on. But what do they spend in research dealing with the health hazards in these plants? Very little. I wish I had the information here tonight, but it is very little.

They are carrying out a study now—I think it is to deal with oil refineries—but there is very little done in this province, and I think this department should stress more research in plant exposure on human beings and this is important.

As I said, Mr. Chairman, I could go into more detail and tell you of the cancer increase in industry. What research has been done regarding The Department of Highways? Look at these men who have to get out on the mowers and ride along the highways, particularly on the Gardiner Expressway, the Queen Elizabeth Way.

Mr. L. C. Henderson (Lambton): They are the healthiest people in Ontario.

Mr. Haggerty: Yes, but what about the hydrocarbons?

Mr. Henderson: They are still among the healthiest people in Ontario.

Mr. Haggerty: Yes. They may be at the present time, but five or 10 years from now—

Mr. Henderson: That is your prophecy. Produce some evidence.

Interjection by an hon. member.

Mr. Henderson: This is your opinion!

Mr. Chairman: Order please!

Mr. Haggerty: Let us take welders, for example. Some industries have exhaust fans, other industries have nothing.

If anybody welds, and you pick up the different rods you will find there is a health hazard there. It has been shown by studies.

Mr. Chairman: Industrial safety; Mr. Gisborn has the floor.

Mr. Gisborn: Well, Mr. Chairman, I just wanted to put the minister at ease and not make the threat about mandatory joint committees presented by the member for Oshawa. It is just not that kind of a problem. I agree with the member for Oshawa that management resists the establishment of joint committees with any joint powers, but I do not think they would react as badly as he suggests if it was government legislation. I think they would make it work. But in the case of the resistance working, is that they will settle most of the agreement, and the collective bargaining philosophy is gone, the pressure is gone. You cannot, under public opinion, hold the membership to strike on one issue of a joint safety committee by itself. That is where we run into the problem. They just know that, and they just resist. I think that if it became a mandatory provision, that it would work.

Mr. Chairman: Item 6 carried.

Mr. De Monte: I want to speak on item 6. Mr. Chairman, what industrial diseases are recognized now as compensable? I know it is a question of the Workmen's Compensation Board, but can the minister let us know what type of industrial diseases are compensable under the Act?

Hon. Mr. Carton: I do not have that list with me but I will deal with that again, and I am not putting you off on the Workmen's Compensation Board—

Mr. Chairman: That is another thing you can make a note of, Mr. De Monte.

Mr. De Monte: I hope that the minister can answer this question for me: How close attention does the industrial safety branch pay to in plant environmental pollution?

Mr. Eberlee: That is one of their basic responsibilities.

Mr. De Monte: It is, is it? Is it excess smoke or excess gases?



**Mr. Eberlee:** There are regulations providing for exhaust systems.

**Mr. De Monte:** That is only one-third of their work?

**Mr. Eberlee:** That is the name of the game.

**Mr. Chairman:** Perhaps I could ask a question on industrial safety. How much testing of the noise factor is being undertaken by this department?

**Mr. Eberlee:** Has there been any testing of the noise factor?

**Mr. J. McNair (Industrial Safety Branch):** Yes, we have—noise problems are faced from two sources. Either they come as a result of complaints or from our officers during their inspection, and we have consultants in The Department of Health who do these surveys for us and report to us, and if there are any directions that need to be issued, we issue them.

**Mr. De Monte:** How about gas?

**Mr. McNair:** The same thing.

**Mr. De Monte:** The same thing. Do you measure the type of gas, what type of gas it is, the amount the workman is exposed to, et cetera?

**Mr. McNair:** Precisely.

**Mr. Chairman:** Item 6 carried?

**Mr. Pilkey:** Are there any guidelines for standards for working conditions as an example? The Industrial Safety Act, could we say there are guidelines for safe working conditions? Are there any?

**Mr. Eberlee:** The Act, and the regulations under the Act and the date sheets which are detailed things published under the Act, I suppose, would be the answer.

**Mr. Pilkey:** What does the—I have not got the Act here—what is the maximum penalty for violation?

**Mr. Eberlee:** Five thousand dollars.

**Mr. Pilkey:** Five thousand dollars. And how many prosecutions have there come under the industrial? Is it in that report? I must have read it all.

**Mr. Chairman:** It is in the report. Mr. De Monte.

**Mr. Pilkey:** Is it?

**Mr. Chairman:** Well then, that answers that question. Item 6 carry?

**Mr. Eberlee:** These are not all prosecutions of course.

**Mr. Pilkey:** Yes. I want to know the number of prosecutions and the number of convictions.

**Mr. Eberlee:** Prosecutions only occur when the directions are not carried out, adding some other circumstances when accidents happen? Do you have that figure, Jim?

**Mr. McNair:** Yes. There were 37 prosecutions in the last fiscal year.

**Mr. Pilkey:** Thirty-seven prosecutions. How many convictions?

**Mr. McNair:** There were 11 convictions.

**Mr. Pilkey:** Eleven convictions?

**Mr. Chairman:** Item 6 carry?

**Mr. De Monte:** Why was there such a difference—may I ask that—between the construction safety and industrial safety? Is it because they are using a different type of inspection procedure, a different type of control, or is it lax in there?

**Mr. Eberlee:** It is the nature of the subject matter. Most of these directions are issued to correct a situation which does not constitute a crime, as such. But I am afraid that is slightly outside government inspection.

**Mr. Chairman:** Item 6 carry?

**Mr. De Monte:** I want to make that point. In other words, perhaps it is a higher quality of inspection because they are better trained and in the field more often and perhaps some of the defaults of the inspection under construction safety do make a difference? Would it be that?

**Mr. Eberlee:** Partly. But maybe it also has to do with the fact that this is quite a different industry. We all know the construction industry.

**Mr. Pilkey:** So what you are really saying to me then, is, if an inspector goes in, inspects and makes his report, and obviously if he finds that the equipment is faulty and that it does create a hazard, then if the employer rectifies this, obviously there is no charge laid.

**Hon. Mr. Carton:** That is right.

**Mr. Pilkey:** Okay. All right, what is the maximum or minimum time that might be given to an employer to correct a hazardous condition? That is number one. Just a moment now because I am not finished. And number two—

**Mr. Chairman:** Well, Mr. Pilkey, we are past the hour of rising. Could we answer number one?

**Mr. Eberlee:** The answer to number one is it depends.

**Mr. Pilkey:** Okay. Well I want to get some more but I will have to get them later.

**Mr. Chairman:** We will sit tomorrow right after the question period.

The committee adjourned at 10:35 o'clock, p.m.

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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Labour  
Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Friday, June 11, 1971

Speaker: Honourable Fred McIntosh Cass, Q.C.  
Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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(Daily index of proceedings appears at back  
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# LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, JUNE 11, 1971

The committee met at 11:05 o'clock, a.m., in committee Room No. 1; Mr. R. G. Hodgson in the chair.

## ESTIMATES, DEPARTMENT OF LABOUR (continued)

**Mr. Chairman:** Now we have a quorum. On vote 1002, item 6, industrial safety, Mr. Pilkey.

**Mr. S. Lewis** (Scarborough West): Move that it be reduced to a dollar.

**Mr. C. G. Pilkey** (Oshawa): The only question I wanted to raise in this regard is that I understand that in the United States a new health and safety law was legislated—obviously under federal jurisdiction—for the whole of the US. As a result, the workers in the United States are now covered by occupational safety and health laws that really are tantamount to a bill of rights for workers in this area—and employers, it covers both parties obviously.

I just wondered if The Department of Labour had reviewed that legislation to find out if it could or would have any effect on workers in Ontario. There appear to me to be more rights for workers in that legislation than we have presently under the Ontario laws.

I just bring to the attention of the government that it might be interesting to review that legislation to see whether any of it could be complementary to ours.

**Hon. G. Carton** (Minister of Labour): It is my understanding that we have reviewed this legislation.

**Mr. Pilkey:** In what respect, Mr. Minister?

**Hon. Mr. Carton:** With a view to comparisons with what may be here in Ontario. Many of the things we have here in Ontario, and have had for some time.

**Mr. M. Makarchuk** (Brantford): Mr. Chairman!

**Mr. Chairman:** Yes, Mr. Makarchuk?

**Mr. Makarchuk:** On this matter of safety there are a couple of points I wish to raise. One, of course, is that we tried to introduce this amendment in the mining bill where the workers have some say in the functioning of the safety committees. In other words, that it is not—

**Mr. Chairman:** We discussed that very thoroughly last night, sir.

**Mr. Makarchuk:** I see, and what conclusions did you come to? What are the minister's opinions in that case? Are you of the opinion the workers on these plant safety committees should have some management rights in this area?

**Hon. Mr. Carton:** This point was made by three or four members last night and I listened to their pleas. That is all I am saying at present.

**Mr. Makarchuk:** I see, but you are not making any commitments to introduce any kind of legislation?

The other point is the matter that I raised with the minister in a letter, about the harassing of workers in a plant because of doubtful employment possibilities. Workers who are sick are threatened that if they do not come back to work they will lose their jobs in the Massey Ferguson combine plant.

This is the matter that I raised with you in a letter. It has led—at least the workers feel it has led—to the death of one worker in the plant and I have had complaints from other workers who felt they were being harassed and who were told that unless they show up for work they will lose their jobs.

When the job situation is rather desperate they are not going to take that chance, consequently they return to the plant in not the best of physical condition. I was wondering what protection you intend to give them. I understand that your director of safety is investigating this case, but have you anything more to report on this matter?

**Hon. Mr. Carton:** No, I am still waiting until we have this investigated. Incidentally, for the member's consideration or further

enlightenment, when I receive a letter from any member they immediately get back a letter advising that it will be under investigation and they are given a priority as far as I am personally concerned. I do not know how long ago this letter came in, but it is—

**Mr. Makarchuk:** It was just a matter of a few days ago. But I do want to stress again it is a desperate situation as far as the workers are concerned. I almost feel they are considering a wildcat strike as a result of this thing. They are of the opinion there is that kind of pressure put on by the company.

The other practice that is being used, again by the same company—and it is related to safety—is where they send out investigators from insurance companies, or supposedly from the insurance companies, who will go to the worker who is off sick and ask him if he would like a job to be supervisor of the new airport that is going in. And the man says, “Yes, I would like that kind of job.” Then the report goes back into the company that the man is able to work and consequently he has his benefits cut off.

This is the kind of deception they use to delude or fool some of the workers, or actually hoodwink them into making a certain commitment which is in no way related to their actual physical condition or to their job at the plant. They use that as a means to bludgeon them or to allow the company to cut off the sick benefits.

**Mr. Chairman:** Item 6 carried?

Motion agreed to.

Item 7, energy.

**Hon. Mr. Carton:** Mr. Chairman, before we get into energy I wonder if I might just very briefly provide for the members some information.

First of all, the objective. I am doing this for the purpose of setting the basis on which possibly some of these discussions will take place, or flow. The objective of the energy branch is to protect people from potential injury and property damage arising from the transmission, the distribution and the utilization of natural gas, fuel oil and propane fuels; and the transportation, bulk storage and handling of gasoline and material. That is the overall objective.

There are two sections; the engineering section and the inspection section.

The primary function of the engineering section is to develop, with industry, equipment standards and to recommend legislation and regulations that are safe, reasonable and enforceable. The primary function of the inspection section is, through inspection, to enforce such standards, legislation and regulations. The sections combined in an effort to convince industry and users that such requirements are necessary and reasonable.

A secondary but important role of the engineering section is to act in an advisory capacity to the inspection branch and to industry, in the interpretation of requirements and to assist in the resolution of specific problems which may not be covered in current requirements.

The area inspector is responsible for the implementation of the policies and functions of the branch. He carries out his work under the direction of his supervisor and with necessary assistance from head office. The supervising inspector is responsible for the area inspectors in his district and for keeping head office informed.

Persons are examined with a view to certification as competent in performing functions in the various phases of operations and providing that persons not so certified may not be employed in performing these functions.

To provide for the safe design and construction of appliances and equipment, the branch assists in the development of relevant standards. Once a standard is approved no appliance may be sold or installed in the province unless it conforms to that standard. Where certification of conformance to a standard by a designated testing agency is accepted, the appliance is approved. Where such testing agency certification is not feasible inspection for conformance is carried out by branch personnel, and if it conforms the appliance is labelled with a branch label.

The facilities used for the handling of gas, propane, fuel oil and gasoline can, if not properly designed, laid out and constructed may constitute a hazard. Therefore it is required that all dispensing facilities, transport facilities, storage facilities, bulk plants, distribution plants and fuel oil distribution systems be licensed by the branch after inspection shows conformity with the regulations.

Gas pipelines are not licensed but are required to conform to the appropriate regulations. Although the policies and procedures of the branch are primarily preventive, accidents occur. Each accident, where fuel is thought to be involved, is investigated and



reports, including conclusions and recommendations, are prepared. It is from these accident reports that many of the recommendations for revisions to legislation and regulations are made.

For your information, there was, quite recently, a bulletin which went out from the department and this is being carried on the radio stations this weekend. I think it is pertinent to the discussion this morning.

**Mr. D. M. De Monte** (Dovercourt): Could we get one?

**Hon. Mr. Carton:** You can have a copy of it. I will give you this one. It is dated June 11:

Labour Minister Gordon Carton today issued a warning against the use of unsafe containers to carry gasoline. He also appealed to all users of gasoline to handle this volatile fuel in a safe manner. This is the time of year when thousands of people in Ontario use gasoline for motor boats, lawnmowers, power machines, saws, and other tools, he said. Carelessness in the handling and transportation of this gasoline can be disastrous. We hope, that with greater care and observance of safety regulations, the number of fires can be greatly reduced.

Last year there were 18 accidents reported in which three persons died. Another 11 people were injured and damage totalled over \$50,000. Mr. Carton said the energy branch of the safety and technical division, The Department of Labour maintains a continuous campaign to educate people to use proper containers and in the proper handling of gasoline, but every year people are injured and property is damaged by fires caused by carelessness in handling gasoline. He said that boatmen are generally very cautious about the handling of gasoline in their boats but when they get the motor off the boats and into their homes, basements or garages for maintenance work, they flout danger by using gasoline to clean the machines.

Mr. Carton made a special appeal to users of gasoline for power tools and lawnmowers. He urged the use of a proper flexible pouring spout or funnel to eliminate spillage. He warned that the filling of gasoline-powered lawnmowers and other equipment in garages or basements is hazardous. He said gasoline spilled on the floor vaporizes and the fumes can be ignited by a pilot light, a spark or some one smoking.

On containers, he said, gasoline should never be carried in glass containers, unapproved plastic bottles such as liquid bleach bottles, milk jugs, or windshield solvent bottles. He said other dangerous uses of gasoline and naphtha are starting fires for barbecues, cleaning clothing, rugs and machinery. That was on the radio or will be on this weekend.

**Mr. Chairman:** Mr. Gisborn.

**Mr. R. Gisborn** (Hamilton East): Mr. Chairman, just briefly, it seems to me, right off the top of my noggin, that this department is in direct conflict, or a very drastic duplication, of The Department of Energy and Resources Management under The Energy Act. Is there very much difference in the responsibilities in this area, in The Department of Energy and Resources Management and The Energy Act itself?

**Hon. Mr. Carton:** I think I will have Mr. Jones answer that because, as you know, he—

**Mr. Gisborn:** It is almost similar to its application to The Energy Act.

**Hon. Mr. Carton:** Mr. Jones was with The Department of Energy and Resources Management prior to coming to our department.

**Mr. De Monte:** Before Mr. Jones answers, do I understand that this has been moved to The Department of Labour?

**Mr. T. M. Eberlee** (Deputy Minister of Labour): That is right. This is the old energy branch of The Department of Energy and Resources Management.

**Hon. Mr. Carton:** It was transferred a year ago.

**Mr. Gisborn:** Well okay. That is satisfactory to me. I did not know that.

**Hon. Mr. Carton:** It was transferred a year ago.

**Mr. Gisborn:** Then you administer The Energy Act?

**Hon. Mr. Carton:** That is right.

**Mr. Gisborn:** Fine.

**Mr. Chairman:** Mr. Jones.

**Hon. Mr. Carton:** No, it is all right. I think we have answered, Mr. Chairman.

**Mr. Chairman:** Mr. Makarchuk.



**Mr. Makarchuk:** Mr. Chairman, there are another two or three points. The minister deals with the containers used for the transportation of energy, that is gas, propane, and various fuels and so forth.

Does he carry on any kind of examination of the containers used for the transportation of noxious chemicals? This could be ammonia or chlorine. We have had these problems; it happened recently when an ammonia leakage occurred in Cornwall as the result of an accident. It has occurred in the United States in a few areas. Is this part of the minister's inspection system?

**Hon. Mr. Carton:** Perhaps Mr. Yoneyama could answer that, for the member.

**Mr. H. Y. Yoneyama** (Safety and Technical Services Division): We have the federal Canadian Transportation Commission which is setting down the specifications.

**Mr. Makarchuk:** This would be the railway transport? They would be setting out the specifications for that?

**Mr. Yoneyama:** Yes. This pretty well covers the interprovincial concept where you have these trucks and rail cars going from province to province and so forth.

**Mr. Makarchuk:** Assuming that it is interprovincial—by this, we could say trucks hauling sulphuric or nitric acid—do you carry out inspections of them so that in case of collision or an upset there will not be a rupture in that the container and spillage of the acid? I believe it has occurred in railways. It has not occurred in trucks so far. Is this one of your department's jurisdictions, or within your jurisdiction?

**Mr. Yoneyama:** When we have such an accident, and depending upon the hazardous chemicals being carried, yes. You made reference to ammonia. The answer is yes to that. When we did carry out the investigation—

**Mr. De Monte:** It was into the Cornwall incident?

**Mr. Yoneyama:** Yes.

**Mr. Makarchuk:** You do carry out and you do draw standards and specifications for the construction of these vehicles that will be used in Ontario in that case? Is that correct?

**Mr. Yoneyama:** Yes, we assist in forming these standards.

**Mr. Chairman:** Mr. De Monte.

**Mr. De Monte:** I understand that since this activity has moved over to your department, you are making a concerted effort to set standards in connection with gas cooking stoves, propane stoves, gas refrigerators, and so forth?

**Mr. H. Jones** (Director, Energy Branch): Yes, this is quite true. We have carried this programme over from the older department and there is nothing all that new. This has been in operation for some 15 years.

**Mr. De Monte:** Do you set standards, for instance like the CSA sets for electrical appliances? Do you put a sticker on the appliance to show that it is approved by your department and does the CSA do the same thing? I understand these are three different types of associations that are concerned with the safety of gas appliances and so forth.

**Mr. Jones:** Yes, Mr. Chairman, this is quite right. We are a little different from the electrical in that we have recognized the three laboratories that do this sort of work, The Canadian Standards Association, The Canadian Gas Association and the Underwriters' Laboratories of Canada.

However, the thing is tied down to the acceptable standard or test specification. Obviously we cannot control what a laboratory does or what they do with their label, but we can say that if they do the testing in accordance with an acceptable standard, the resulting label is acceptable.

**Mr. De Monte:** I see. Does your department set those standards by regulation or in any way?

**Mr. Jones:** First of all, we participate in the development of these standards. We are part of the committee. These committees are all set up in conformity with the CSA procedures to get balanced interest and a balance geographically with the hope that they will be used across the country and in the interests of standardization.

**Mr. De Monte:** For instance, I think the Consumer Affairs Department, I do not know whether it is federal or provincial, puts a sticker on a doll that might be harmful to a baby. Thereby, when the sticker goes on, it is approved as a product that can be used safely. Do you have any system like that in your department, Mr. Minister?

**Mr. Jones:** This is the purpose of the labelling. That label is evidence that that

particular style of appliance has been investigated in a formal laboratory investigation, in accordance with laid-down, written specifications. Basically, the testing is to ensure the safety level.

**Mr. De Monte:** I appreciate that, but I am wondering if there are any regulations in your department setting out the standards that are required in order to obtain a label? For instance, an electrical appliance that is not CSA approved—I mean by that, a light fixture, a panel or anything like that—cannot be used in a construction site in Toronto or in Ontario.

**Mr. Eberlee:** This has the same effect as the regulations with respect to CSA or CGA or Underwriters' Laboratories stickers. It is the same generally.

**Mr. Jones:** That is right.

**Mr. Eberlee:** The laboratory does the same.

**Mr. Chairman:** Mr. Haggerty.

**Mr. De Monte:** The only problem I want to get to, Mr. Chairman—I do not want to belabour it—but I am wondering whether the department is going to set down any regulations in connection with this thing? I know you do in certain other aspects of products used in Ontario.

**Mr. Eberlee:** We do have a regulation which says, in effect, that you cannot use certain types of appliances unless they bear one of these three seals.

**Mr. De Monte:** And you assist in the development of standards?

**Mr. Eberlee:** We assist in the development of those various standards.

**Mr. De Monte:** I see. I have here a letter from the Canadian Gas Association which sets out what they approve and do not approve. I will pass that up to the minister. Is that the type of thing that is carried out? In other words, the Canadian Gas Association has approved these models—or these two models—and it is going to put its blue seal approval on it. Does that mean then that your department accepts that model as a safe salable item in Ontario?

**Mr. Eberlee:** The answer is yes.

**Mr. Chairman:** Mr. Haggerty.

**Mr. De Monte:** I just wanted to say, and I think I pointed it out in my opening state-

ment, Mr. Chairman, that there is going to be increased use of these products; first, because natural gas is just really coming into its own. I refer to gas refrigerators, propane stoves, gas dishwashers, and so forth. I know that your department does a very good job of trying to set the standards, but I was wondering whether you might not follow the technique that is used by some other departments of government in putting your own seal on the product, instead of asking other associations to do it. That is the only point I want to make.

**Mr. Chairman:** Mr. Haggerty.

**Mr. R. Haggerty (Welland South):** Yes, Mr. Chairman, I would like to discuss the problem of the older gas lines, transmission lines, in municipalities. Some of these lines have been down for about 30 or 40 years and I think the minister would agree with me there is a certain deterioration to the metal. In some cases perhaps the wall, instead of being one quarter inch or five-sixteenths, may be only one-sixteenth. It could be less than that.

I have noticed different places throughout the municipalities where you see the odd leak in gas lines. One of the problems I find is that you have a hard time conveying it to the gas company. I think in one particular case where I told them for about a couple of months that there was a leak there—right along the road—and you know anybody can go by with a cigarette and throw it out there, and bang, it could go. I was just wondering what type of inspections do you have on these older lines in certain municipalities? Do you carry out any inspections at all? Do you have an inspector when lines are being replaced?

**Hon. Mr. Carton:** I would like to make a general comment. I cannot see any company in its own self-interest not looking into a matter such as this.

**Mr. De Monte:** We have had some pretty serious explosions.

**Mr. Haggerty:** It is the same old question of government jurisdiction. One says this is your jurisdiction and this is mine. You know what I mean. You have a group there that says this is a matter where it should be handled from one area office, and the other says it should be handled from there. It is just the lack of communications. The intention is that if it is brought to the right person, action will be taken. I do not want to



leave the impression that the company does not give two hoots about it.

**Hon. Mr. Carton:** Perhaps Mr. Jones would explain his inspection routine, and then he may get into—

**Mr. Haggerty:** May I continue? The other problem I find dealing with a municipal government is that the transmission lines, or lines that are laid along the road, in some cases are only six inches below ground. At the next place, they are up above the ground and when there is ditching required along these roads a grader will come by and grade the ditches and the first thing you know, you see the pipe bend down into the ditches. You can find this in many municipalities and there is a good possibility there could be a fracture in this line.

What I suggest to you is that perhaps there should be a standard depth of all gas transmission lines.

During the past week in the relocation of the Welland Canal, for example, the gas company went in to remove the old lines and relocate the new line. When you have a road contractor coming in he says, "We are all right; this is supposed to be at the four-foot level." Then you find out perhaps it is only at three feet. So you get those big bulldozers coming through and the first thing you know it hits a live line; and things could happen then.

**Mr. Jones:** To begin with, Mr. Chairman, this is a pretty broad subject and it is very difficult to generalize in answering this question. I think part of the problem in the question the member is raising is that some of the gas systems down in that area are 100 years old.

**Mr. Haggerty:** I believe that.

**Mr. Jones:** Our pipeline regulation—and incidentally the depth of cover is specified—was brought in in 1959. So what do you do about the lines, the systems that were installed 80 years ahead of the regulation? This is part of the difficulty.

That is why I say there is no general answer to your question except that from 1959 forward the law did specify the depth of cover. Generally the big expansion is installed in accordance with good engineering practices and with regard to leakage.

It is not economically feasible for a company to consider laying a distribution or transmission system and not providing cathodic protection to ensure that there will be

no corrosion. It is just not economically feasible to consider otherwise. So that the newer systems, basically, are quite good from an engineering standpoint.

We do have the human element, of course, and this is where the inspection comes in to endeavour to sort out any problems that may be accidental or otherwise. We have endeavoured to give special attention to the older systems with our own staff and this has been carried forward in the new department as well as in the old.

It is a very difficult problem. Among other things, one of our controls is the unaccounted gas picture. In co-operation with DBS we have access to the metered gas that the distributor retails. From the distributors, we get the gas that is sold or the gas that is produced. Some of the meters on the older wells are questionable, so this is really a relative affair, but we watch these returns and if there is a major change in them, something obviously is wrong and this telegraphs to us that some action should be taken.

**Mr. Haggerty:** You will not find too many producers in my particular area at the present time, because the old squeeze has been put on. I mean many of these small operators have been squeezed out since they went into the storage wells in the Sherston area. This is one of the places in Ontario that had the largest storage of gas. The local producers, who at one time used to make their living from selling gas, to Provincial Gas it was at one time, are phased out since we came into this bigger Consumers' Gas operation in the area. They have just told them: "We do not need your gas any more." This is it; it has gone by the wayside.

The other matter I have not touched on—and this is one of the problems I find again dealing with municipalities with old gas lines—there is a loophole, in a sense in The Municipal Act I believe it is. If you do any new road construction in a municipality, such as putting in curbing and storm sewers, there is a clause, if I can recall it, under which you may get the gas company to come in and get involved in laying new transmission lines at 50 per cent normal labour costs. This is always a block to throw up to the municipality and say why we should get in and pay the cost to subsidize replacing new gas lines. I do not think it should be the responsibility of the municipality. This is a matter, I think, of company expansion, to bring them up to date. They should be paying the complete cost instead of 50 per cent of labour being charged back to the



local municipality. It rather discourages the new lines that could be put in.

**Mr. Jones:** Of course, this is very involved and there are many statutes, such as The Public Utilities Act and The Municipal Franchises Act.

**Mr. Haggerty:** Yes; it comes under The Public Utilities Act.

**Mr. Jones:** —and The Municipal Franchises Act. It is an extremely involved thing and in my capacity I am afraid I could not make any recommendations as to who pays. I am interested in the safety. I am very pleased to see those new lines go in. Who pays for them is somebody else's concern.

**Mr. Haggerty:** In the new lines that are being put in, contractors are using the welded method. What type of an expansion joint do you have on them? The old type of gas line was done by threaded pipe couplings. They used to loop up, and they used to have the old type of elbow effect for expansion on it. You would come up and make a loop there and you would have a lot of expansion on the joints. But on the welded section, what type of an expansion do you have? Do you have the sleeve type, or do you have the loop type?

**Mr. Jones:** For the most part, the expansion is taken up in a loop. It is welded in, but there are many combinations that can be formed with the welding process. The most successful is the loop welded in.

**Mr. Haggerty:** How far apart are these loops placed in any line in any municipality?

**Mr. Jones:** This will depend on the number of lateral takeoffs which tend to secure the line. If it is a long distance transmission line that has no lateral takeoffs, flexibility is introduced by simply snaking the line slightly in the trench during the installation process.

**Mr. Haggerty:** And that gives sufficient room for that pipe to expand?

**Mr. Jones:** That is right.

**Mr. De Monte:** What do you mean by snaking?

**Mr. Lewis:** I thought the minister's lead-off was a lateral takeoff.

**Mr. Jones:** In the trench the line is not set down with an instrument, it is purposely—

**Mr. De Monte:** Looped?

**Mr. Jones:** No, no; snaked from side to side of the trench. They purposely try to do this.

**Mr. De Monte:** Oh, I see. Okay!

**Mr. Haggerty:** This is sufficient though, is it?

**Mr. Jones:** Oh yes.

**Mr. Haggerty:** I was just wondering. I thought perhaps in this explosion in Toronto within the last year or so, my own feeling is that I do not think they had the proper expansion joints there and perhaps they would have solved some of their problems.

**Hon. Mr. Carton:** You mean two years ago in Malton?

**Mr. Haggerty:** Yes. I was just wondering—you know, welding is pretty rigid.

**Mr. Jones:** Yes, Mr. Chairman. I should advise that all of the litigation on this thing is not yet cleared.

**Mr. Chairman:** Mr. Lewis?

**Mr. Lewis:** No, no, I was just waiting for the next vote.

**Mr. Chairman:** Mr. Makarchuk.

**Mr. Makarchuk:** In the mining estimates we had a discussion on the Energy Board and they said there that somewhere within some government department there is a group of people who are studying the total energy requirements of the Province of Ontario. This would not be in your department? They did not know what department it was in. Is there such a group of individuals involved anywhere?

**Mr. Jones:** Not in our department, no.

**Mr. Makarchuk:** We will probably find it under the Provincial Secretary or something of that nature.

**Mr. Chairman:** Is item 7 then carried?

**Mr. Makarchuk:** No, I am sorry, I have two more items. The other item I am concerned about is the laying of gas lines at the bottom of Lake Erie. Apparently there is no trenching involved. Is this within your jurisdiction?

**Hon. Mr. Carton:** No, it is not.

**Mr. Makarchuk:** It is not? Fine. There was a problem there. It seems that ice has been

breaking the lines and the gas has been seeping or bubbling up into the lake.

The other point is the matter of plastic containers. It seems to me that a lot of people are using milk containers for the carrying of gas. If there were an outright ban or regulation issued to the gas stations saying that they could not put gas into plastic containers this would help to resolve some of the problem of individuals who bring their milk bottles, and then they have a problem of first the milk bottle is contaminated and second they do not provide adequate storage for the gas.

Hon. Mr. Carton: I believe we do have this regulation, but I will ask Mr. Jones.

Mr. Jones: Yes sir, as a matter of fact we have developed a standard in the way we discussed earlier for a plastic gasoline container. As a matter of interest, the plastic containers that have been manufactured in accordance with that standard are better than a large number of metal containers that are on the market, from the standpoint of use. In that particular case you look for the UL of C label on the satisfactory plastic container.

I agree completely that the use of bleach bottles and so on is a very dangerous practice.

Mr. Eberlee: Is it illegal for the gas station to sell gas in that container? I think that is what Mr. Makarchuk is asking.

Mr. Makarchuk: That is what I want to know.

Mr. Eberlee: I am not personally familiar with that section of the regulations.

Mr. Jones: It is illegal in the unlabelled container; it is perfectly legal in the labelled container.

Mr. Eberlee: So it would be illegal then to put it in a milk container.

Mr. Chairman: Item 7 carried?

Mr. De Monte: No, I have a point on which I would like some information.

Mr. Chairman: Okay, Mr. De Monte.

Mr. De Monte: Do you use plastic gas lines?

Mr. Jones: For natural gas? Yes sir, to a limited extent. Not yet into the built-up areas, or into the highrise areas in the city. We have been allowing some plastics; to get

some operational experience, really. There is tremendous use of high density polyethylene in the United States.

Mr. De Monte: What has been the experience with that type of installation?

Mr. Jones: The experience to date has been extremely interesting.

Mr. De Monte: I was wondering, because steel piping tends to be inflexible—steel pipe can give and crack, but plastic can usually give with the lay of the trench. Would you think that perhaps there might be a higher safety factor in plastic? Perhaps you have not had the use experience yet, but I am wondering if, in your own opinion, it would be a safer installation?

Mr. Jones: It seems to be the picture that is forming, particularly from the large mass of information we are getting from the United States.

Up to the present time there has been—and even among my own staff—a reluctance to consider plastic for this because of the general feeling, but it may be the wrong impression. I think your point is well taken.

Mr. De Monte: Some people are reluctant to use plastic where they could probably cut costs very substantially, but it has been your experience that you are getting good experience with plastic pipe?

Mr. Jones: Yes. May I make one point? Actually in the type of plastic that we are looking at favourably, there is not too big a saving in dollars. It is costly.

Mr. De Monte: Oh yes, I am looking at this merely from the point of view of the safety factor. It must be more expensive, but perhaps safer to use.

Mr. Jones: We are very encouraged with what we see.

Mr. Haggerty: But you could lay it a lot faster and quicker though, can you not—can you run it off in spools?

Mr. Jones: The labour costs go down, yes.

Mr. Chairman: Mr. Belanger.

Mr. J. A. Belanger (Prescott and Russell): Mr. Chairman, was there an investigation carried out on the incidents which happened in Hawkesbury at the paper mills about a month ago where a carload of ammonia gas leaked out? Where did the responsibility lie?

**Mr. Chairman:** We discussed this before, I believe.

**Mr. Belanger:** Cornwall was mentioned, I did not hear anything about Hawkesbury.

**Hon. Mr. Carton:** There was an investigation carried out and it is under industrial safety. We can go back to that one if you wish.

**Mr. Yoneyama:** The answer is yes—an investigation was carried out. This is CIP in Hawkesbury you are referring to?

**Mr. Belanger:** Yes. Who was responsible for the defect? Was it the Canadian International Paper mills or the people who sold the carload of gas? Or has this been determined?

**Mr. Yoneyama:** When you say "defect"—

**Mr. Belanger:** There was something defective in the switching from one car to the next—some valve was defective, this was the report in the press.

**Mr. Yoneyama:** No, that has not been confirmed. There was no defect in the equipment or in the valve.

**Mr. Haggerty:** How did the accident happen then?

**Mr. Yoneyama:** The turning of the valve was just sufficient to release the liquid, and because it was not connected to the corresponding hose to transfer it to the holding tank we immediately felt that there was a defect. But on checking—and this has been done quite thoroughly—we have found no reason to say that there was a defect in the valve.

Item 7 agreed to.

**Mr. Chairman:** On item 8. Mr. Lewis?

**Mr. Lewis:** No, I am just going to wait until the industrial relations programme.

**Mr. Chairman:** Mr. De Monte?

**Mr. De Monte:** I would like to discuss this particular aspect of uniform building standards. I noticed, I think, in the minister's statement—or in some other statement that I heard—that the department is in the process of setting up uniform building standards.

**Hon. Mr. Carton:** Right, we have two committees presently.

**Mr. De Monte:** Right. What type of standards are they going to be? Are they going to be close to the NHA standards which apply across Canada for first mortgage loans? Are they going to be similar to those standards, do you know, Mr. Chairman?

**Mr. Eberlee:** The objective is to make them similar to the national building code.

**Mr. De Monte:** And the national building code is fairly close to The National Housing Act standards, is it not?

**Mr. Eberlee:** Yes.

**Mr. De Monte:** I notice a lot of the municipalities—and Toronto is one of them—are very loath to accept new building concepts, modular construction, veneer construction. For instance, they still have not accepted the plastic pipe, although it is evident from the previous expert that plastic pipe is coming into its own, both from the question of laying it and from the question of a saving of costs and from a labour point of view; and the Ontario Water Resources Commission is thinking of accepting it, is it not?

**Mr. Haggerty:** They have accepted it and they are using it for services now.

**Mr. De Monte:** They have accepted it, yes, and they are using it for services now.

The thing that bothers me about this whole thing is the attitude of the municipalities. I think there are seven building standards in Metropolitan Toronto. What you can put in in Scarborough, you cannot put in in Etobicoke.

Sometimes the cost in different municipalities is quite a bit higher than the construction of a dwelling should be, simply because of the archaic attitudes of the municipalities and the building inspectors toward all these new building materials that are coming in, which could substantially reduce the cost of construction of houses and public buildings.

I notice, too, that there was a very, very strong, veneer-type honeycomb door that took about 10 years to be accepted in the municipality of Metropolitan Toronto although it was proved to be much stronger, much lighter and easier to install.

In your committees that are looking at it, are you liaising with the municipalities or do you think that it might be just as wise to impose some of these standards upon the municipalities—or is it possible to impose them?



**Hon. Mr. Carton:** We will be imposing them.

**Mr. De Monte:** You will be imposing them. Are you looking at, for instance, all the modular-construction concepts that might be allowed, the prefab concepts that could be allowed—could I just get a sort of a break-down?

**Hon. Mr. Carton:** We are looking at every aspect and we are consulting. We have two committees, one doing the code review and one the administrative work.

**Mr. De Monte:** I did not hear the last.

**Hon. Mr. Carton:** We have two committees set up and they comprise people, knowledgeable people, from all over the province.

**Mr. De Monte:** In what sense is each committee operating, Mr. Chairman? What is each committee doing?

**Hon. Mr. Carton:** One is on the code itself, and the other is a committee that is meeting on the administrative part of the code.

**Mr. De Monte:** Are the committees looking at the new materials, for instance, that can be installed and testing them out? For instance, NHA carries out cold-weather research on some of the wood-constructed homes up north. Is that type of research coming forward, Mr. Minister?

**Mr. Eberlee:** The committees are not doing the research as such. That, of course, is done by the National Research Council—

**Mr. De Monte:** Right.

**Mr. Eberlee:** —which developed the national building code.

**Mr. De Monte:** Right!

**Mr. Eberlee:** They are making use of all that information.

**Mr. De Monte:** On all the research and testing that is done?

**Mr. Eberlee:** Yes; we are really on the same wavelength as you are on development.

**Mr. De Monte:** I just wanted to make sure, because I would like to say, Mr. Chairman, that this is long overdue. You should perhaps enact legislation as soon as possible because I am informed—and it is my opinion—that you could probably reduce the cost of construction of a single-family dwelling

by at least 15 per cent with the new materials and concepts.

**Hon. Mr. Carton:** Right!

**Mr. De Monte:** If we are going to create a building code that does not break new ground completely we are just wasting our time.

For instance, it is interesting to note that you cannot build a brick-veneer house in Toronto. It has proved to be a good, substantial construction; it is warmer; it saves on fuel costs. In some cases—and I think in 90 per cent of the cases—it is cheaper to build. Is that true? Is a brick-veneer structure easier to build?

**Mr. G. Adams (Uniform Building Standards Branch):** Yes.

**Mr. De Monte:** It is easier to build, it could be put up quicker and it is warmer. Plastic pipe, prefab modular construction—and I think the municipalities should also look at the aspect of wood construction. Perhaps the building code that you initiate should have something in there about a man being able to construct a frame home if he feels he can.

These are the comments I wanted to make on that aspect of it Mr. Chairman, and I trust the minister will do as much as he can to get that code through as quickly as possible.

Vote 1002 agreed to.

On vote 1003:

**Mr. Pilkey:** Vote 1003, Mr. Chairman.

**Mr. Chairman:** Industrial relations programme; Mr. De Monte first and—

**Mr. Pilkey:** I just wanted to ask a question. I am wondering if we could not discuss this vote in its total ramifications, because I happen to think—

**Mr. Chairman:** They are all interconnected?

**Mr. Pilkey:** I beg your pardon?

**Mr. Chairman:** They are all interconnected?

**Mr. Pilkey:** Yes, because I think they are interlocking.

**Mr. Chairman:** Right, fine!

Okay, Mr. De Monte first.

**Hon. Mr. Carton:** We were going to suggest this as a matter of fact.

**Mr. Lewis:** Who would have thought otherwise?

**Mr. Chairman:** Industrial relations programme.

**Mr. Pilkey:** Well I think my leader can go ahead.

**Mr. Lewis:** I have just two or three specific items I would like to raise. There are several others I would like to raise, but events conspire—although the government has agreed to let me fly back and forth from Victoria to be here for the estimates, and it is very kind of the Premier!

First of all, I would like to ask what has the department done so far and what, precisely, does the department intend to do about the imminent strike at the Toronto Daily Star?

**Hon. Mr. Carton:** Perhaps we can ask Mr. Dickie that. I am personally aware of it, but he could give you a better explanation.

**Mr. W. A. Dickie** (Director, Conciliation and Mediation Services): As you know, the parties have been bargaining since last December and several weeks ago they made application for conciliation.

They appointed conciliation officers because there were a large number of issues between the parties. They had introduced at this time, and agreement had been reached at the conciliation officer level on the matter, a system under which they are bargaining for they first time in a council of unions. This is the first time this has occurred.

This in itself is a difficult process, with the five trades and the guild bargaining for a joint agreement. With a committee of some 50, you can see that there are some problems in—

**Mr. Lewis:** A committee of some?

**Mr. Dickie:** Fifty.

**Mr. Lewis:** Fifty? A bargaining committee of—

**Mr. Dickie:** Fifty. Five-nought.

**Mr. Lewis:** Five-nought? A bargaining committee of 50?

**Mr. Dickie:** Yes.

**Mr. Lewis:** But they do not all talk at once?

**Mr. Dickie:** No. This is a procedure that had to be worked out. Having done that and

provided a smaller committee, there was some effective work done on some of the non-monetary issues.

We had to make a decision as to whether we would no-board that situation. We felt that there were some pressures required, and that was the decision that was taken. That was no-boarded about 10 days ago.

The parties, at our suggestion, met and have been meeting continuously to get those administrative items that they are all so familiar with out of the way.

Then we would—as I understand it, and I expect to have some communication today although we have not had it yet—we would like to intervene with the mediator. This will be done, I am quite sure.

We have been in touch with the parties; we have known pretty well about the progress. We know that the strike deadline or legal deadline can be next—

**Mr. Lewis:** Can be?

**Mr. Dickie:** Thursday.

**Mr. Lewis:** At 12:01 a.m. Thursday?

**Mr. Dickie:** At 12:01 a.m. on June 17. That is when they can legally go on strike. Whether or not that occurs we do not know. I would expect we will be intervening; we discussed this with both parties at an earlier stage. I think that would bring you right up to date about the Toronto Star and our participation in it.

**Mr. Lewis:** May I, Mr. Chairman, ask a couple of questions? You are saying that the conciliation services of the branch were offered and used up to the no-board report?

**Mr. Dickie:** Yes.

**Mr. Lewis:** And that some non-monetary items were sorted out at that time?

**Mr. Dickie:** Yes, there are a number of those.

**Mr. Lewis:** The monetary items are, I take it, the basic area of dispute at this point?

**Mr. Dickie:** There are always a couple of non-monetary matters that remain in most situations until the monetary things have been cleared away.

**Mr. Lewis:** Right. Since the no-board report 10 days ago, The Department of Labour has not been directly involved, in physical terms? The bargaining has been exclusively between the parties?

Mr. Dickie: That is correct.

Mr. Lewis: As I understand it from Wilfred List in the *Globe and Mail* today, the bargaining terminated, to all intents and purposes, at some hour of the morning. What do you mean when you say you expect "we will intervene"? Perhaps it is not a fair question to ask you. Perhaps I can ask the minister.

When one is dealing with, I guess—although I hate to concede it to them—Canada's largest daily newspaper and the council of unions, a lot of people are affected one way or another. Surely somebody goes to the parties at this point and offers intervention? In fact, if it does not seem arbitrary, surely one goes to the parties and says: "You have got five days left. The department would like to step in now and see if you cannot possibly be brought together."

The atmosphere which is being created, it seems to me, is in a sense not entirely conducive to settlement. One of the things which might reverse that atmosphere is for the department to express a fairly strong presence at this stage, rather than waiting to be called upon.

Hon. Mr. Carton: I will ask Mr. Dickie to answer specifically, but if I may interject just with this thought; that there is a sense of timing on all these things, as you know and as all the members know. There is a propitious moment to do things. I think that our mediation branch are on top of these particular issues and this is the way they operate. I will ask Mr. Dickie to be more specific in this case, if you wish.

Mr. Lewis: I think I understand you—that an intuitive mediator sense says "If I step in on Tuesday at the 11th hour, then almost certainly they will strike on Thursday." Because that is what is happening.

Mr. Eberlee: No, I do not think it is quite that. I think that these situations are pretty sophisticated, frankly. There are often arrangements that have been developed with both sides in advance and I do not think we help anybody by bringing them out in the open.

Hon. Mr. Carton: By putting the searchlight on it.

Mr. Eberlee: Our job is to try to get settlements here and that will be our aim in this particular dispute.

Mr. Lewis: I am not asking you to bring it out in the open. I am not asking you to compromise either party. I am saying, from what one reads and sees, that is not the role—this is something that has always mystified me about this Department of Labour. You know, I do not want to make invidious comparisons with Bryce Mackasey. He is not a fellow with whom I share cock-tails regularly—

Mr. De Monte: He is a nice man; a very nice man!

Mr. Lewis: The minister will understand! But there has been a degree of ministerial intervention at the federal level which is really quite positive. There have been a number of disputes settled in ways that many of us did not think would occur, either at the invitation of the parties or at the invitation of the minister. The minister has invited himself.

I cannot imagine that the parties would be offended if the Minister of Labour, Gordon Carton, phoned B. Honderich or Burnett Thall this afternoon—they probably will not be very fond of me for it, but then I am not an aficionado of the *Star* anyway—and phoned the head of the union, Mr. Jones, or whoever is doing the negotiating, and said: "Is it possible the department could be of any use in the last few days? If we cannot, we cannot; but do you not think it might be useful if we just helped in the bargaining process?"

I am going to say why in a moment or two, but—

Mr. Eberlee: Perhaps Mr. Dickie could shed some light on what—

Mr. Lewis: Mr. Dickie is waiting for a call, I gather.

Mr. Dickie: Yes and no. After all, this is a very important dispute.

Mr. Lewis: Yes.

Mr. Dickie: This was gone into very carefully. We had some pre-conciliation discussions—and we do quite a bit of that now. This question of the formation of the council of unions; this was—

Mr. Lewis: I am listening, Mr. Dickie.

Mr. Dickie: Yes, I see.

This formation of the council of the unions did not really come about until conciliation proceedings had started and agreement had



been reached on this approach. Now this being possibly the first of its kind in this industry—that is with the guild included and the five trades—it is just a different type of approach and has to be handled differently in the assistance given to the parties in developing their approach.

It was unwieldy to talk to about 50 people, and it was cut down. We formed a sub-committee of six and all this took considerable time. Then there had to be an examination of the issues; the establishment of priorities, that had to take place. This was all done in frank discussions with the parties, with the full knowledge of the approach that we were going to take on the question of no-board as a requirement to bring about some finalization of these discussions that have been going on for months. It was a determination that was made.

We think it is the right one. We further believe that the administrative issues that had to be discussed and still remained outstanding had to be settled between the parties themselves. We have an awareness of the amount of time that is required to discuss these monetary matters, because we have had some preliminaries with them. We will, I am sure, be deeply involved in it.

**Mr. Lewis:** I have that overwhelming urge to say—if you can, settle it. But I know I cannot ask that because you are going to tell me that it is all very private and confidential and the parties are locked in mortal combat, and this type of thing has to remain behind the scenes.

Let me ask two questions. Has the minister or has Mr. Dickie heard a rumour, strongly current among the unions presently bargaining, that the Toronto Daily Star has been in contact with the mechanical tradesmen in the United States whom they could import to Canada, in the event of a strike, to keep the mechanical side of the industry going? This is, of course, not unprecedented in the newspaper business.

This has happened in at least a score of classic cases in North America in the last years, and has happened even in Toronto. I wonder whether the department has asked for any information about that? Whether in fact that is a possibility in the department?

I am not asking you to argue the right or wrongs or whether or not the Toronto Daily Star wishes to do it. I am saying is this something which concerns the department and has the department pursued it? Is the department of such sweet innocence that it

has not come to its ears? Or when it comes to its ears is the department prepared to act on it?

**Hon. Mr. Carton:** I guess, perhaps, I am sweet innocence since I have not heard it. But I will ask Mr. Eberlee.

**Mr. Eberlee:** I can assure you that we hear every rumour that ever passes, plus additional ones.

**Mr. Lewis:** And that is not one of them?

**Mr. Eberlee:** I have heard that rumour.

**Mr. Lewis:** You have heard that rumour?

**Mr. Eberlee:** Certainly. I said I have heard every rumour that has passed in this area.

**Mr. Lewis:** Fine, and some that have been created, some that have been tried—

**Mr. Eberlee:** This is an area of rumours. This is an area of mystery.

**Mr. Lewis:** Fantasy!

**Mr. Eberlee:** This is an area of ritual dancing. And the ultimate is to get a settlement in a particular dispute.

**Hon. H. L. Rowntree (York West):** It is also a science that is well described as an inexact science.

**Mr. Lewis:** Well I think that ritual dance is very nice.

**Mr. Eberlee:** I should say that we were asked last night by a reporter for the Star, who said that he was calling as a newspaper reporter, what would likely happen now that talks had broken down. We advised him, for attribution, that undoubtedly there would be mediation early next week in the thing. So all the cards we can put face up are on the table.

**Mr. Lewis:** You have said in effect that the department is going in. How are you going in? Are you going in with one of your mediators? Are you going in with Bill Dickie? Are you going in with Gordon Carton? Or are you going in with Tom Eberlee?

**Mr. Eberlee:** We will be going in with one of our skilled, capable mediators—one of the men who chalks up such a terrific record under the direction of Mr. Dickie.

**Mr. Lewis:** That may be, but the ritual dance at the 11th hour no longer needs skilled mediators of the branch, it now needs one of the senior presences. It needs the prima whatever-he-is!

**Mr. Eberlee:** I quite disagree. That is a very old-fashioned concept. It goes back about 15 or 20 years. What these disputes require is a skilled, respected, competent, capable mediator.

**Mr. Lewis:** I see.

**Mr. Pilkey:** Are you suggesting that the minister is not?

**Mr. Lewis:** Do you not think this is an opportunity for the minister to prove himself?

**Mr. Eberlee:** I am suggesting that neither the minister nor I are mediators. That is not really our role.

**Mr. Lewis:** That raises something that is really interesting. Why is it not the minister's role? Damn it all, the minister is Minister of Labour. I know he has tremendous faith in his conciliation and mediation services.

Let me not pretend, even for a moment, aspersions. People on this side of the committee have enormous respect for what Bill Dickie does and what that branch does in a vast number of disputes, so let me not pretend otherwise. I think Mr. Dickie knows that.

What I am saying is, here you have a major kind of situation, with what a lot of people seem to feel is an irresistible move toward a strike which all of us would like to avoid. But does there not come a point in the minister's life where he himself enters or he enters with Bill Dickie? Is that not a role of the Minister of Labour?

I understand the sweet skirmishings at the periphery. I understand the gentle footsteps leading up to the finale. I know all of these sort of little soliloquies before the curtain goes up. I know the theatrics of it, the minuet.

But I want to know what happens when the play is on, when the crunch is there? I want to know whether the Minister of Labour does not feel that he should not—this is a sort of classic one, but there are others that will emerge—whether at some point in Ontario we do not break the pattern and the minister himself tries to intervene in a dispute in a very positive way. You could ask that of Dalton Bales endlessly and never

get anywhere. I would like to know whether this minister's philosophy has changed and whether he might not try it out in this instance?

**Hon. Mr. Carton:** Well, speaking to the question; I am publicity-shy, being a politician obviously.

**Mr. Lewis:** Yes, I understand that.

**Hon. Mr. Carton:** But let us put it this way. Mr. Dickie is in touch. He is on top of the situation. If Mr. Dickie came to me and suggested that it would be of some assistance to both parties—

**Mr. Lewis:** What would be?

**Hon. Mr. Carton:** That I would.

**Mr. Lewis:** That you would be of some assistance to both parties? Is that not interesting? All right. I do not want to sort of pull on this frayed rope trying to get it out here. You can tell me all of it in five minutes if you will. In other words you have now been approached by your conciliation branch to be of assistance to both parties?

**Hon. Mr. Carton:** I have not yet been.

**Mr. Lewis:** But you have chatted with Mr. Dickie? Mr. Dickie has ventured to you confidentially that Gordon Carton might be of assistance to both parties?

**Hon. Mr. Carton:** No, I said "if" Mr. Dickie.

**Mr. Lewis:** If Mr. Dickie suggests it?

**Hon. Mr. Carton:** Then I might.

**Mr. Lewis:** That you might be? Well I will share a confidence with you. I think you might be. A member of the opposition thinks that it might be a useful role for the Minister of Labour to make it clear that he has offered himself to both parties in classic disputes, and that sometime before Wednesday night you might consider intervening in a positive way.

Not in an arbitrary way; I am not suggesting that for a moment. I understand the sensitivity.

But let me go back to the question I asked. In your ivory-tower removal from the rest of your department you did not know that your deputy minister had heard the rumour of possible importation of people to fill these roles in the mechanical trades. But in fact Mr. Eberlee knows, and I am sure Mr. Dickie knows. Now what happens when that



kind of thing comes? Does the department make any effort to check it out? Does conciliation make any effort to check it out? Are you concerned about strikebreaking?

**Mr. Dickie:** In our discussions that we have with the parties there are many rumours that come to our attention from both sides. Certainly we check it out. We know in our discussions whether these are valid or not. We have some ideas ourselves. We make assessments in these matters. We have reasonable knowledge and we can interpret from the parties' positions. We investigate.

We talk with them about it to find out whether these are bargaining ploys or not; and they very often are. It is our role as a mediator to interpret the actions, get behind them to find out what the parties' real positions are.

**Mr. Lewis:** Is it the assessment of the department and Mr. Dickie that should the strike occur Wednesday midnight the Toronto Daily Star will bring mechanical tradesmen into the plant, through the picket lines, to keep the operation going, some of whom, may come from the United States? Is that the assessment of the department or the branch?

**Mr. Dickie:** No, that it not the assessment.

**Mr. Lewis:** Will it surprise you if it happens? Will you be surprised if that should happen at the end of next week?

**Mr. Dickie:** Well you have brought this up. We have not talked to these parties in a matter of a few days. We have heard some rumours, and when we get into the situation as mediators then we will look into these rumours.

We think the procedure that has been adopted is going to bring about agreement. Mediators are always optimistic.

**Mr. Lewis:** Right.

**Mr. Dickie:** And up to this point we still retain our optimism. We could not give you an assessment of that.

**Mr. Lewis:** You could not.

**Mr. Dickie:** No.

**Mr. Lewis:** Could you give—

**Mr. Dickie:** Because we will not only look at this question which you raise, or the rumours that you have heard, but there are other matters that come up from each of

the trades and certain particular concerns that they have in their particular area. Yes, we do come up with assessments.

**Mr. Lewis:** I suppose the assessment does not really—I still want to pursue this—I suppose the assessment does not matter very much if the strike takes place and the people come in? I do not know if it is employed, what use it would be.

Have you made any assessment, or do you intend to make any assessment, of the rumour which is shared by a great many of the employees, that arrangements have been made with trucking firms to transport the newspapers in whatever form they are printed after Thursday if the strike should take place? Has that been a matter of assessment or will that now be in final mediation if that will now occur?

**Mr. Eberlee:** I was just going to say that if they do decide on Wednesday night to continue publishing, presumably they will have to make arrangements with some trucker to transport the papers, but at this point that is not one rumour I have heard.

But I do not know where this leads us, because where we are heading is toward a settlement of the dispute if it is possible to bring the parties together.

**Mr. Lewis:** Right. I have suggested in my own quaint old-fashioned way, as the deputy said, ways and means of enhancing the possibility for settlement, not entirely without knowledge of the subject. I have spent some considerable time talking to people who are close to it and share your optimism as always that it might be settled, but have a very strong feeling that it needs a senior presence at this point. And that senior presence has to be Bill Dickie or Gord Carton; nothing short of that will do; and it is appropriate at this time in a potential strike in such a significant field that that be done.

We in this party have been opposed to strikebreaking for a very long time and we do not intend to alter our position now, and the prospect that may occur sends chills through us.

Let me read you something—I will put it all on the record—that came to my attention yesterday. It is not associated with the Toronto Star dispute but is associated with the phenomenon of strikebreaking in Ontario.

There is a firm called Canadian Driver Pool Limited. It has only a telephone



number—249-6366 for anyone who wants to pursue it—and it has a representative named R. A. (Rick) Grange, who is president of Ontario operations of Canadian Driver Pool Limited.

A company in the city with whom negotiations are presently occurring received the Canadian Driver Pool Limited material—and I am going to take the time of the committee if they will forgive me—to read to you what it is that Canadian Driver Pool says to management.

I thought that what my colleague from Oshawa raised about Anning a year or two ago was outrageous, but I have not read anything like this in some time:

Dear Sir:

This letter will briefly explain a service which is unique and has never before been advertised, even though it has been in service over the past two years.

Our company was formed two years ago due to circumstances which necessitated the formation of an organized company which could offer specialized services to a strikebound company.

Over the past two years we have extended our services to 43 manufacturing and service industries which in previous years have been rendered virtually non-productive by strikes; yet during their last strikes, with our aid, these companies broke the strikes, and in some cases they managed to achieve levels of up to 80 per cent productivity.

I would like to know how many of those 43 strikebreaking operations were in the Province of Ontario and I would like to know what the government files are on CDP.

The most important achievement was that these companies managed to settle their wage demands at levels which were financially feasible to both the employees and the company.

This is an important goal for the simple reason that a settlement which is out of context to what the company can afford will remove this company from a competitive market.

There are many other points which are equally important to remember when you are considering a strike programme. In the competitive market of today you must produce and deliver to stay in the market. If you lost 30 per cent of your business during a strike, how long and how much would it cost to rebuild this lost business?

What did the last strike cost your company?

And then they show their expertise:

Through research and experimentation, we at Canadian Driver Pool Limited have found that there are many different methods of bringing about a fair settlement. Most of these methods revolve around the fact that the company must remain productive to some level, even though it may only mean moving in-stock products across the picket lines.

Once the striking employees see that the company intends to stay productive without their help, the morale of the strike has been broken and we have separated the hard-core unionists from the employees who are just worried about how they are going to meet their next monthly payments.

From this point forward, the strike is realizing a fair settlement for both sides.

As I understand labour relations in Ontario the right to strike is a right of The Ontario Labour Relations Act. And as I understand labour relations in Ontario, when all the procedures have been followed and conciliation has taken place, a no-board report has been rendered, a time elapses and the parties cannot be brought together and a strike takes place, then companies of this kind, engaged in professional strikebreaking operations that run counter to the entire tenor of The Labour Relations Act, should not be allowed in this province.

There are many services which we can offer through our associated companies, which specialize in certain areas. These services are as follows:

They mention consulting, movement of products, outside warehousing and consolidating the way in which they move products back and forth across the strikebound line. But I want to read you their section on security.

Through a separate security division, we can supply an experienced strike security force which specializes in strikes—the most experienced organization in this field in the North American continent utilizing the latest electronic equipment. These men have been trained especially for this type of work and operate with Doberman pinschers which are trained for crowd control and plant security—

Mr. Pilkey: Where does that guy talk about the bomb?

**Mr. Lewis:** It continues:

They know where to look for attempts of sabotage and are equipped to handle the situation where one is at hand. The security team will also supply cameramen who will record any acts which could be detrimental in any way to your company—

**Mr. Pilkey:** Do you support that, Arthur?

**Mr. Lewis:** And it says:

This information is useful in presenting a case with regard to an injunction against the union. There are many other services which are tailored to your special needs, but due to security these can only be discussed with your personally.

Doberman pinschers can be put in a letter. One can hardly imagine what they would discuss privately.

There is one point I would like to make, and that is: we never use force. Only the law and its need.

In closing, I would like to remark that unions have served a useful purpose in protecting the employee from unjust treatment and have helped improve working conditions. In most cases, I believe their usefulness has been outlived, and they now have become a detriment both to employees and employers.

And there are a number of other gratuitous comments. It is signed, "Sincerely yours, R. A. Grange, president, Ontario operations, Canadian Driver Pool Limited."

Number one: I want to know how many labour disputes Canadian Driver Pool Limited has been involved in. Number two: If the department does not have it, I would like to ask the minister to undertake a departmental investigation of Canadian Driver Pool Limited with a view to seeing where they violate the spirit and content of The Ontario Labour Relations Act. Number three: I would like the minister to make it clear that this kind of strikebreaking is absolutely not to be permitted in the Province of Ontario—it is not at the moment illegal, but you as the minister would indicate that it is not to be permitted.

I raise Canadian Driver Pool Limited because there are a number of companies like Anning—although nothing I have read as blatant as this—that are engaged in making certain small and difficult strike situations even more tense and awkward. I know that the department would like to improve the record it has already achieved in terms of

limiting the number of man-days lost by virtue of strikes.

I read in one of the papers the other day—probably it was the Globe—of the strike at A.P. Parts in Toronto and the fact that students were being hired to cross the picket line. I remember more vividly than I would like to remember, standing on the picket line outside Honeywell Controls on Ellesmere Avenue as the students came by, crossing the picket line to take the jobs. How unfair it was to the workers and to the students—students rendered desperate by the need to find employment, workers rendered desperate by students filling the jobs which they as heads of dependent families desperately required. And I thought how extraordinary it is that we can bend The Labour Relations Act in Ontario sufficiently to allow this kind of strike-breaking to take place either in an open fashion of that type or as at A.P. Parts, or in an obviously more sinister fashion—and I use the word advisedly—in the case of Canadian Driver Pool Limited. I have only one other small and serious point—well a little more frivolous than it is serious, it would appear to some—but I want to ask the minister about Canadian Driver Pool and whether he would undertake an investigation.

**Hon. Mr. Carton:** First of all, the letter reviles me personally—

**Mr. Lewis:** Yes.

**Hon. Mr. Carton:** —and I would like a copy of it; and that is the only comment I will make.

**Mr. Lewis:** Are you normally subject to being reviled without comment? I know you have equanimity, but that is pushing it.

**Hon. Mr. Carton:** Yes, I have great control.

**Mr. Lewis:** You have great control? Do you think, Mr. Minister, that this kind of practise is desirable in Ontario?

**Hon. Mr. Carton:** I will not repeat any more than what I have said. The letter reviles me and I ask if you will give me a copy of it, but I will make no further comment.

**Mr. Lewis:** Well I find it very peculiar that you are silent on it, Mr. Minister—

**Hon. Mr. Carton:** I am not being silent on it.

**Mr. Lewis:** I do not sense that.



**Hon. Mr. Carton:** No, I am not being silent.

**Mr. Lewis:** This is not just students crossing picket lines. This is a professional strike-breaking operation offering its services to companies in Ontario, offering services that range from anti-union rhetoric to the use of Doberman pinschers.

**Mr. De Monte:** And maybe more!

**Mr. Lewis:** And maybe more!

Surely as a minister you are prepared to make a public statement not only that it reviles you personally but that you view this with a certain personal revulsion and that you are prepared to investigate the firm.

**Hon. Mr. Carton:** Again, Mr. Lewis, if you will let me have a copy of the letter please, I will take it from there.

**Mr. Lewis:** Will the minister investigate CDP? I will give him a copy of the letter with great pleasure—as many copies as he needs for his entire department—but will he investigate CDP and its practises? Can the minister undertake to make inquiries about the conduct of this firm?

**Hon. Mr. Carton:** I am sure there will be nothing in our files as to what strikes they may or may not have participated in. I have never heard of them personally. This is the first time that it has been brought up. The member has had the letter for some time.

**Mr. Lewis:** No, I have had the letter for 24 hours.

**Hon. Mr. Carton:** Fine.

**Mr. Lewis:** As a matter of fact, it came to me yesterday, and I am bringing it up appropriately in this estimate because I want to know. You know, there are some of you cabinet ministers—I do not want to be invidious, I can mention names, you know to whom I refer—who say openly and forthrightly, obviously offensive, "It is obviously not in line with departmental policy. Yes, we will look into it."

The other cabinet ministers, alas perhaps this one, think that the policy of the inscrutable is the best policy. How, when something as blatant as this is drawn to your attention, can you simply say: "Give me a copy of the letter, Mr. Lewis," or "Stephen," or whatever your mood is when you address me. Why would you not undertake an investigation?

**Hon. Mr. Carton:** I have not said I would not and I have not said I will. I said give me a copy of the letter and I will take it from there.

**Mr. Lewis:** I want to tell you I think you are simply abdicating your responsibility and that you should be prepared to say to the committee at this time: "That is outrageous and I will look into it. I will not just read the letter as bedtime matter; I will look into it. I will call the principals of this company to account and I will ask them, 'Which strike situations were you involved in in Ontario? What did you use? What effects did you have?'"

I would speak to the companies and I would report back to the House and I would make it clear in the process—this is an addendum of mine rather than yours—that this is just going to be made illegal by legislation in Ontario. You are going to outlaw because it is just too offensive. But all you say is, I will read the letter.

**Hon. Mr. Carton:** Fine, I guess perhaps it is the lawyer in me. That could be a spurious letter, for all I know. Obviously, I have to see what I am going to comment on. Do you have that letter this morning that I have no knowledge of? I have never heard of the company.

**Mr. Lewis:** I am prepared to tell you confidentially the company to whom the letter came and with which union it is presently in negotiations and how the letter, therefore, came to me. But that the letter is real and that it is signed, and that it has a letterhead and a phone number is without question. It does not have an address.

I have looked in the phone book, but then it is useful not to have an address, of course, for this kind of operation. Assuming the contents of the letter to be valid, would you then conduct an investigation into the activities of this firm?

**Hon. Mr. Carton:** I will take whatever steps I think should be necessary after I have had a look at the letter.

**Mr. De Monte:** Mr. Chairman, may I ask the hon. leader of the NDP if I can have a copy of that letter?

**Mr. Lewis:** Yes, sure. It is not a confidential letter.

**Mr. De Monte:** Certainly, I have something to say about it. I think it is a vicious letter



and I think that type of an organization is certainly not in keeping with the type of labour relations that you and your predecessors have been trying to maintain in this province.

I think with respect, Mr. Chairman, that the minister should make a commitment here to the committee that he will definitely do something about that letter, and make a definite statement that he does not agree with professional or non-professional strike breaking.

I think a lot of strikes are maintained over a longer period than they should be because of strikebreaking. I think that many strikes are broken perhaps by organizations like this which are professionally oriented.

I am interested in that section where he says they have other services to render which they have to talk about privately. I guess it is the truncheon and the long stick that they will probably resort to in the final phases of trying to break the strike.

The fact is that in that letter, in my respectful opinion, they might even be counselling the breaking of the law. There is no doubt about that. Perhaps the letter should go to the Attorney General's department also to see if what they are counselling there is decidedly illegal. It strikes me that this type of an organization will go to any length to attempt to infringe or interfere with the normal workings of The Labour Relations Act in Ontario.

I urge the minister, through you, Mr. Chairman, to certainly make a commitment to this committee that he will not only take the letter under his own wing, but will send it to the pertinent department so that legal action can be taken against the company that may be counselling the breaking of the law. I specifically refer to it—

**Mr. Lewis:** Can you make a commitment to come back to this committee before this vote passes—obviously you will have the weekend and Monday—and indicate what your intention is; how you intend to proceed having read it and looked into it? Is that legitimate to ask of you?

**Hon. Mr. Carton:** I could not make a commitment to have investigated this by the time we meet on Monday.

**Mr. Lewis:** No, but you could have made a commitment to have read the letter and tell us whether you are going to investigate.

**Hon. Mr. Carton:** When I see the letter; again, I have told you it personally reviles

me. Now taking it from there, obviously I will not let the matter rest.

**Mr. Lewis:** You are prepared to say you will not let the matter rest. You know, you can gather eight guys on a picket line outside a plant and have the company move to an injunction on the basis of mass picketing, and the law in the province is such as to afford it, almost no questions asked. You can have all kinds of people brought through picket lines courtesy of the Metropolitan Toronto police force without any difficulty whatsoever and the law in this province permits it, whatever the tensions may be which result. You get this kind of professional strikebreaking outfit—the pariahs of labour relations—and the minister sits and says: "I will read the letter."

The minister can have a little more animation than that about something like this. This is what so distorts labour relations in Ontario. These are the things that throw everything out of kilter. It is the perspectives which are lost when one has the strike that we had in Picton—what was it, Smith Corona, Merchant—the famous little strike?

**Mr. Pilkey:** Proctor-Silex.

**Mr. Lewis:** Proctor-Silex and Hanes hosiery and the Peterborough Examiner, and Tilco Plastics and, out in my riding, Alpine Meat Products Limited; and all these little heroic struggles, most of which should not have taken place if ministerial intervention had occurred at the 11th hour before the strike, where the conciliation services of this able department were ineffectual and most of which would not have resulted in as much tension on the picket line and as much breakdown of employee-employer relationship if efforts had been made to create a different atmosphere about strikebreaking in the Province of Ontario.

Those are critical realities for this department. I really feel strongly that I have not got enough from the minister.

I do not know where to go. My colleague says, "Move that his salary be reduced to \$1." It is in fact a sort of perfectly useful protest, but I would like to give you a day or two to think it over and to come back to this committee, because this committee will be sitting all next week or most of next week.

My colleagues will press pretty hard and will have a motion prepared, if necessary, to ask this minister to investigate this company and give a full accounting to the Legislature,

and I do not think that is unwarranted. I think that is the least one can ask, short of outlawing them by legislation.

**Mr. Chairman:** Mr. De Monte.

**Mr. Lewis:** I have one last point I would like to make, Mr. Chairman, on behalf of a group of harassed employees in the Province of Ontario. It may come under employment standards, on the other hand perhaps the Chairman will allow me some slight latitude because I will not be here.

I would like to know whether the minister has considered in the conduct of conciliation, or industrial relations generally, maybe within The Employment Standards Act, some kind of safeguard for employees upon whom the employer thrusts personal and gratuitous prejudices about hair lengths, clothing styles and so on.

I would like to know, for instance, how the minister feels about this order—verbal apparently at the moment, but clearly appreciated by all—that 15 employees in CFTO shear their locks in order to meet the puritanical specifications of someone involved in this station.

As I understand it, they are not even on camera. One could understand it if they had asked Phil Ross to cut his hair. Many of us have felt he needs it for a long time. But these people are set designers; they are script people; they are engineers. They are engaged in the daily run of the profession. How does the minister feel about this kind of harassment of employees?

**Hon. Mr. Carton:** First of all, that particular one, as you know, is under federal jurisdiction, but do you want my personal opinion?

**Mr. Lewis:** Federal jurisdiction? Telling people to cut their hair?

**Hon. Mr. Carton:** No, no. Television stations—CFTO. But if you want my personal opinion of it, the difficulty as I would see it would be the enforcement of it. How would you enforce it?

**Mr. Lewis:** Well, I—

**Hon. Mr. Carton:** You just say bring it in under The Employment Standards Act. How would you enforce it?

**Mr. Lewis:** Well I am not even sure one would have to enforce it. I would be worried less about the enforcement and be much more pleased by an assertion somewhere, at some

time, by some minister, that to them it is personally offensive for all of these things to intrude in relationships between employee and employer, that it is obviously the better part of maturity if they do not.

I mean it is not the end of the world. CFTO will go on and maybe the employees will not cut their hair, but it seems to me that it is kind of odd. You know if the hair got caught in a camera—if while John Bassett was on camera something blanked out; if there had been an accident at the station; if the colour had been distorted by virtue of the hair length. If all of these horrendous events had occurred one could understand it; but to make it clear to employees that their hair is too long?

Does the minister not think that maybe a ministerial statement before the orders of the day—virtuous and of a motherhood quality—would give the message to those—I could say some things that I am just not going to say, it has significant implications about the conduct of people who make that kind of a request of other employees. But how about doing it, Mr. Minister?

**Hon. Mr. Carton:** I think you know my own personal observations on it, because I made this observation in connection with a situation in London, Ontario, with the see-through blouses. I think they are all part and parcel of this same type of—

**Mr. Lewis:** That is exactly right.

**Mr. Pilkey:** How do you stop the employers threatening to discharge employees for this? It seems to me that the government has an obligation to intervene. And let me tell you that employees are being threatened discharge, and my guess is some of them have been that have not come to our attention.

I know in the organized plants they are not getting away with it. Now they have threatened it, but they just have not followed through. But I suspect very strongly in a number of unorganized plants that employees either carry out the order or alternatively they are discharged.

It is just incredible, in my view, that employees are subject to that kind of harassment to their employment. I do not know whether it should come under the Ontario Human Rights Code or where—

**Hon. Mr. Carton:** No, I think the employment standards branch is the proper branch.



**Mr. Pilkey:** Surely that does not warrant discharge from their employment, and I speak now particularly of the unorganized worker. I remember when the government introduced The Employment Standards Act and when the former minister stood in his place in the House he said that this was a charter for the unorganized workers.

If that is a charter, then obviously it has to be amended to give these workers that kind of protection from employers where their jobs are in jeopardy, and I support the contention of the leader of the New Democratic Party in this regard. It has just got to be given. The Act should be reviewed and they should be given some protection.

Take women who are working in industry. You know they have long hair and as a result of that they usually have to put on some protective covering. You do not fire women because they have long hair, but I would think that it would be legitimate for the employer to say that you have to wear some protective device where machinery is involved.

**Mr. B. Gilbertson (Algoma):** That is good.

**Mr. Lewis:** You can talk, my friend, because you are not affected by it.

**Mr. Gilbertson:** I am an employer.

**Mr. Lewis:** You are an employer, I agree—

**Mr. Pilkey:** Their hair may get caught by one of those maple trees.

**Mr. Gilbertson:** We run a sawmill operation—the hair may get tangled in a drive-shaft.

**Mr. Lewis:** Yes, but you do not have that worry personally.

**Mr. Pilkey:** No, it has got to be covered somewhere in an Act of this government to give these workers that kind of protection.

**Mr. Rowntree:** I think Mr. Pilkey has a good idea about the wraparound. You would have to extend it to the beard though.

**Mr. Pilkey:** I want to tell the former minister, in General Motors that is exactly what they are doing and the guys went along with that. They have to, you know, if they want to continue and—

**Mr. Lewis:** As I say it is not earthshaking, but it means a lot to the employees who are being intimidated. I mean, that is real harassment when you think you might be subject

to dismissal because of hair length, or because you are wearing hot pants if you are a woman who is employed at CFTO.

I thought to myself when Mr. Speaker said—I did not know where to protest—that the page-girls in the Legislature would have to wear slacks rather than skirts because it might be too distracting for the members of the House. I just could not believe it! The gratuitous stuff that comes from, in this case employers, about standards and what people may or may not do and the personal assumptions about the way in which others will respond to these things!

It is odd. I mean, look at the sideburns on your deputy minister and Mr. Dickie. Mr. Dickie looks like Paul Hellyer. They are white enough and bushy enough to make him eligible for Action Canada.

**Mr. Chairman:** Do you really want Mr. Dickie to answer that?

**Mr. Lewis:** Would you like to toss him out of your department because it is not felicitous enough?

**Mr. Gilbertson:** You look better with your hair shorter.

**Mr. Lewis:** Well, sometimes I cut it, but not under a mandate.

Mr. Chairman, I leave it at that. I say to the minister, again, he should call this fellow at CFTO—I never want to make you work as hard as I am implying—but just to make it clear that this kind of thing is not useful in Ontario.

We do not particularly approve of it. Employees can do as they wish as long as it does not intrude on the operation of whatever their activity is, and off-camera people who are engaged in the television arts should not be harassed that way. Imagine the presumption of suggesting dismissal of 15 people because of hair length.

**Mr. Chairman:** Mr. De Monte?

**Mr. Lewis:** A little spasm for the morning; I will go home and relax this afternoon.

**Mr. De Monte:** I wanted to speak on that letter for a few minutes, Mr. Chairman.

In connection with this and also the adversary system that exists now between employee and management—and I think we all admit it exists. Certainly a company like that, whose whole purpose is to strike break, should be investigated and perhaps even its charter should be withdrawn.



Perhaps when you do get the letter from the hon. leader of the New Democratic Party, you might refer the letter not only to the Attorney General but also refer it to The Department of Financial and Commercial Affairs to look into the legality of issuing a charter to a company which is knowingly attempting to strike break, and perhaps using as its methods certain illegal tactics.

I wanted to speak to the minister, through you, Mr. Chairman, about construction associations as they have been set out in the Act. Can the minister tell me how many construction associations have been accredited under The Labour Relations Act as of today?

**Hon. Mr. Carton:** There are four applications for accreditation; none has been granted to date. The one in Toronto, for example—I am going from memory—I think there are 170 employers involved. It will be coming up for hearing later this month.

**Mr. De Monte:** May I ask this, can I ask you the names of those four applications or would that be—

**Hon. Mr. Carton:** I do not have the names, though I can get them.

**Mr. De Monte:** The applications have not been granted because they have not been heard?

**Hon. Mr. Carton:** They have not been heard, but definitely one or two of them will be heard later this month.

**Mr. De Monte:** In the negotiations that are taking place now between the construction associations that exist but are not accredited, how have the settlements come about? Have there been any settlements? I understand that May 1 was the contract deadline for a lot of construction contracts?

**Hon. Mr. Carton:** In the majority of the cases they have reached agreement.

**Mr. De Monte:** They have reached an agreement?

**Hon. Mr. Carton:** Yes.

**Mr. De Monte:** But you are saying that the applications, because the Act has only been enforced for a very few months, are just starting to come in? Did you expect more applications for accreditation than you have received?

**Mr. Eberlee:** One thing that reduced the number was the agreement between OFCA and the Provincial Building and Construction

Trades Council earlier this year that they would seek first to get their agreements on a province-wide basis and then would apply for accreditation on a province-wide basis—subject of course to the local autonomy that normally exists.

**Mr. De Monte:** Yes. I think it is laudable on both sides of the fence here that they are certainly trying to work out their problems. A lot of them probably will become accredited.

Tell me this, of the four applications what percentage of the employers are part of the accredited association; do you have those figures? And what percentage of the employees?

**Mr. Eberlee:** No.

**Hon. Mr. Carton:** They would be with the OLRB. I am not aware of those.

**Mr. De Monte:** They would probably have to show that at the Ontario Labour Relations Board

**Hon. Mr. Carton:** It is rather a complex thing when you get 170 employers—

**Mr. De Monte:** I appreciate your problem.

**Hon. Mr. Carton:** —to get the hearing relatively early.

**Mr. De Monte:** I appreciate your problem. Are the unions and the associations contracting on a one-year basis in order to settle down the whole issue and then apply for accreditation? Or are the contracts coming out on the basis of, as usual, three-year contracts?

**Mr. Eberlee:** The bulk of them are two years. I think the carpenters went on to a one-year contract.

**Mr. Dickie:** Of course there is this insert of the trades that have negotiated a two-year agreement—the carpenters for example. They have not done so in all the vocations but they have negotiated an extension of one year under the new arrangement. Following that they then negotiate the terms of a two-year agreement.

**Mr. De Monte:** When they are accredited?

**Mr. Dickie:** No, no, at the present time. That is going on.

**Mr. De Monte:** Do you anticipate there will be a province-wide contract within the near future for all trades, or do you antici-

pate there will still be the breakup as it has existed in the past?

**Mr. Dickie:** No, there will not be a breakup as has existed in the past; but you take the electricians, for example—

**Mr. De Monte:** They are going to go province-wide.

**Mr. Dickie:** That was their objective, but it really came about on a regional basis. You have to remember that in the construction industry some of these locals have been negotiating on their own for 50 years.

**Mr. De Monte:** I appreciate your problem. The only thing that I wanted to ascertain is are we still going to have the local autonomous accredited associations and unions bargaining? I mean we might not be back to the old system that we are trying to correct, but are we going to be back to that system in some way, shape or form?

For instance, are there going to be, say six accredited associations of electrical contractors and six electrical unions negotiating at different times in the year?

**Mr. Eberlee:** I guess it is safe to say that this agreement between OFCA and the Provincial Building Trades Council has only been partially implemented. It appears, for example, that the majority of labourers' locals across the province will be bargaining together in future and it will be possible for employers to be accredited for most of the province opposite the union. The same will apply in the carpenters. They are also working in that direction in the operating engineers.

**Mr. De Monte:** How about the bricklayers?

**Mr. Dickie:** The bricklayers have not been. I think in most locations they will come to agreements on a province-wide basis, but there are certain locals which will certainly not join this year. The concept is generally endorsed by both, but certain local problems have interfered with—

**Mr. De Monte:** How about the section—I am referring to 167, section 1033—allowing an opting out. Has the opting out of the contractor given you any problems?

**Mr. Eberlee:** That really did not allow an opting out. You are thinking of that section that allowed them to work if they could maybe get another job?

**Mr. De Monte:** The phraseology might be different, but is that giving you any problem? Do you anticipate any problem in that regard?

**Mr. Eberlee:** No.

**Mr. De Monte:** Why not?

**Mr. Eberlee:** Because in the main there will not be men available when the time comes when there are accredited associations formed. I do not think that there will be the men available anyway. So that those employers will not be able to continue opting out.

**Mr. De Monte:** If there is an employer who is allowed to carry on—and opting out is not the proper term I agree, Mr. Chairman—if the employer is allowed to carry on and there is a pool of striking union members who go to work for that employer, would that not firstly—

**Mr. Eberlee:** It would have to be done by subterfuge, because of course no arrangement may be made between the employer and the union, no interim agreement can be—

**Mr. De Monte:** I am a bit afraid of that section.

**Mr. Eberlee:** I think the fears that the construction employers had were somewhat larger than life.

**Mr. De Monte:** Larger than anticipated?

**Mr. Eberlee:** Yes.

**Mr. De Monte:** The fact still remains that something can be done, but that has not been the problem as of—

**Mr. Eberlee:** Of course since no accreditations have been ordered by the board, it has not been a problem.

**Mr. De Monte:** Of course, an accreditation only gives legal status to something that has already existed, and which did not work in my respectful opinion. I am not saying I do not want to see it work. I want to see it work. There has been an agreement between the trades council and the provincial body but some unions simply will not bargain on a province-wide basis?

**Mr. Eberlee:** That is right. I think it is fair to say that some employer groups locally also wanted to maintain that traditional relationship.

**Mr. De Monte:** I understand from Mr. Dickie that some electrical unions prefer to remain autonomous?

**Mr. Eberlee:** That is right, and the sheet-metal and plumbers.

**Mr. De Monte:** In other words, what might happen and I hate to see it happen, is that we will get the bumping that existed last year and the year before. Could that possibly happen? I notice there was a fair settlement, in Hamilton was it, to the—who?

**Mr. Dickie:** In London, to the sheetmetal workers.

**Mr. De Monte:** The sheetmetal workers in London. Is that going to cause a bump?

**Mr. Eberlee:** I think, inevitably, there is a bit of whip-sawing, yes.

**Mr. De Monte:** In connection with the 67 plant closures—I said 76 but I think it was 67, was it not, Mr. Chairman?—that took place in Ontario this year. Is the minister aware of the—

**Mr. Chairman:** I think the wording is actually "impending."

**Mr. De Monte:** No, some have closed and some are pending, are they not?

**Hon. Mr. Carton:** Some are partial; some were not even required to give notice. I have the whole—

**Mr. De Monte:** No, I am not talking about that. I am still concerned about the lack of any knowledge on the part of the department. I say the department could have this knowledge if it was interested in this matter. The lack of knowledge of a lot of closures that were obvious—

**Mr. Chairman:** You are on 1006 now.

**Mr. De Monte:** I am talking to the minister, Mr. Chairman, through you to the minister and to his deputy.

**Mr. Eberlee:** We will prove later on, I guess under 1006, that we had the knowledge.

**Mr. De Monte:** Pardon?

**Mr. Eberlee:** We will seek to prove under 1006 that we do know what it is all about.

**Mr. De Monte:** I am not saying that you do not know now what it is all about, and you probably will say it is the bad economic

conditions. I say certainly in some cases it was bad economic conditions, and they had to phase out because they were not making money. There is no doubt about that, Mr. Chairman. I would not deny that for a minute. But certainly there were some plants, like the Mason and Risch plant—

**Mr. Chairman:** Can you relate that to this vote?

**Mr. De Monte:** Yes, I am relating it, because certainly under the—

**An hon. member:** Are we under The Industrial Standards Act yet?

**Mr. Gisborn:** No, we are on industrial relations.

**An hon. member:** Sorry!

**Mr. Chairman:** Is 1003 carried?

**Mr. De Monte:** No, it is not carried. Is the minister contemplating returning to a more just and equitable certification procedure, Mr. Chairman, in connection with reducing at least to the original percentages the certification procedure?

I would like also to know how many certifications there were under the new system and how many there were under the old system, and what is the percentage difference?

**Hon. Mr. Carton:** It is a little early to—

**Mr. De Monte:** Say the same period of one year compared to the same period of the year before. I do not think that would be difficult, Mr. Chairman.

**Hon. Mr. Carton:** I will get that information; roughly, I would say, it is about the same. As far as the 65-36 is concerned, I am watching it very closely. I do not mind stating that I personally am not wedded to the 65.

**Mr. De Monte:** I am happy to hear that from the minister, because certainly there is no doubt that about 32.6 per cent of the labour force in Ontario is unionized. We still tend to think, when we think of industrial relations, we tend to think of the adversary system between the two parties and that the two party monoliths are ready to cut each other's throats.

I think that we have got to get away from that concept—and I am saying that exists both on the part of the unions and the part of



management. These pamphlets are a perfect example of what my friend from Oshawa spoke about yesterday—

**Mr. Gisborn:** Do you know what Thatcher's issue is in this election?

**Mr. De Monte:** I am from Ontario, my friend, and I am interested in Ontario. What Thatcher does is another thing, I personally think that Thatcher is a Conservative really. He is of the same ilk as the people across the floor. Just because he calls himself a Liberal does not—

**Mr. Chairman:** Gentlemen, back to Ontario business please!

**Mr. De Monte:** What I wanted to say before I was interrupted is that we tend to think of labour relations as a very, very great battle between two adversaries. It is my respectful submission that the old industrial chaos of the Twenties and the Thirties is over, and that we have got to sit down and look at each other as parties bargaining across a bargaining table, and that we have got to think of more things than just wages, which are important, but we have got to think of working conditions, rights of the workers, vested interests, residual rights, and take a

meaningful look at these problems. I think Mr. Dickie is pretty well versed on this thing, and I think that what must upset him more than anything else is the adversary attitudes of both parties. There is no doubt—he does not say anything, but I can see that he thinks that, and it makes his job exceedingly difficult.

It is, in my respectful opinion, simply that the two parties really are not with it in the 1970s. For instance, if we were to look at the Swedish concept of labour relations, and at the German concept, where employees sit on the boards of directors, where we can tie in the working man with management and perhaps come up with a much better society.

It is interesting to note the concept they have had in Sweden. They had a strike—I think about a six-week strike—but it was the first major strike they had in about 25 years.

**Mr. Chairman:** It being 1 of the clock, I do now rise.

**Mr. De Monte:** Okay, thank you.

**Mr. Chairman:** We will continue with vote 1003 on Monday, after question period.

The committee adjourned at 1 o'clock, p.m.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Labour

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Monday, June 14, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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# LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JUNE 14, 1971

The committee met at 3.05 o'clock, p.m., in committee room No. 1; Mr. R. G. Hodgson in the chair.

## ESTIMATES, DEPARTMENT OF LABOUR (continued)

On vote 1003:

**Mr. Chairman:** Order, please. Mr. De Monte, when we rose you had some remarks.

**Mr. D. M. De Monte (Dovercourt):** Yes, and respectfully, Mr. Chairman, I do not remember the specific aspects of it that I was on at the time.

**Mr. Chairman:** We will allow you some latitude.

**Mr. De Monte:** I think I was on construction associations, but I am not sure, and they are bringing me a copy of the transcript.

I think at the time I was developing the argument that—and there has been some recent press on it—that the present Bill 167 seems not to be adequate enough in order to be able to solve the problems. Of course, it is very obvious to the minister (Mr. Carton) and to the deputy minister (Mr. Eberlee)—I notice that it is almost impossible and they have been trying since the Act was brought in to get any meaningful—by “meaningful” I mean a majority—of employers involved in any given area. It is also becoming evident that many of the unions are not prepared to negotiate with these employer associations. The thing that strikes me about the whole thing is that the Act was emasculated before it became law in that the Act allowed the opting out. I know the minister has said this is not really the crucial point, that they cannot work, but I think the Act is not working and I would like to ask the minister what, in his opinion, seems to be wrong with the system?

No doubt we have the system set up but what is wrong? Why can they not get together? Why cannot the accredited associations—and I understand there are only four

applications for accreditation and that there has been no employer group given accreditation and that there has been no employer group given accreditation yet to the Labour Relations Board—but I ask the minister what is the problem and why it does seem the Act is not going to be able to work?

**Hon. G. Carton (Minister of Labour):** Well, basically, I am not so certain they will not work. I am an optimist as is my deputy and my chief conciliation officer (Mr. Dickie). I think the basic reason behind the ineffectual application thus far has been that—and I know Mr. De Monte is aware of this—that back in the first part of this year and the latter part of last year there had been a tentative agreement between the unions, the provincial building and trades council and the employers' association through OPTA, that there would be a year's extension given to any existing collective agreement that terminated April 30 with a view to giving that one-year period the necessary time, in order to let accreditation and the provincial bargaining get into effect, and they had come to this tentative arrangement, it was my understanding, and it was based solely on an increase in wages.

This would be the only issue that would take place at the present collective bargaining processes and unfortunately what happened, right off the bat, was a settlement, a collective agreement signed in London between seven employers and the respective unions with a 40 per cent increase over two years. This was not exactly the kind of start one would have expected in this situation and I think it has stemmed from that collective agreement that was signed at that time.

This is the only explanation I can have and I do not place any blame on anyone. I think it was done with the best of intent to give provincial bargaining the opportunity to get into effect over the next year.

**Mr. De Monte:** Well, is it not a fact, Mr. Chairman, that this does not really advocate provincial bargaining? All it advocates is area-wide bargaining.

**Hon. Mr. Carton:** Well, it is—

**Mr. De Monte:** It can still have the bump processes that are taking place right now. You have the union in London with a 40 per cent increase over two years and it seems to me that union in Toronto is going for this same settlement.

**Hon. Mr. Carton:** But ultimately the idea and the ideal is to have province-wide bargaining.

**Mr. De Monte:** Certainly that is the ultimate criterion of all legislation, Mr. Chairman, that the ideal will be achieved, but it seems to me, with the greatest of respect, that it certainly is not achieving it here. It seems that both parties are not willing, really, to do anything about it.

I understand—I only read the press reports Friday and Saturday—that both sides are extremely disappointed in the process and in the Act as it set up. Is there any answer by the minister as to how that can be improved short of imposing province-wide bargaining by law?

**Hon. Mr. Carton:** I still think it is too early to have given that Act the necessary time to come into being. I am still hopeful it will work out. Certainly we do not want, in my opinion, the necessary steps that were taken in British Columbia or Saskatchewan or in Quebec last year, and I am sure the member does not want that.

**Mr. De Monte:** No, I do not want that.

**Hon. Mr. Carton:** And I am sure the NDP does not want that.

**Mr. De Monte:** The only thing that bothers me, Mr. Chairman, is that nothing is really being accomplished by the Act, and it is surprising that—of course, the minister has not been there that long—that some alternative is not being tried and I guess he has—I agree with him—he has to see how the thing is working. But it seems to me it is not working and many of us in the House told the ex-Minister of Labour (Mr. Bales) it would not work.

**Hon. Mr. Carton:** Yes, basically—as Mr. Eberlee has pointed out—the accreditation scheme is what the employers ask for. I might mention that when there is not an accreditation application—just to give you an idea of what is involved, as I explained a little earlier, there are four of them presently in the process in order for the member to realize what takes place in an accreditation application. In the one that I know of there are

170 employers and under the amendments of what basically must be done are three steps. The first is that it must be determined that the employers' organization represents a majority of the contractors.

**Mr. De Monte:** I appreciate that, Mr. Chairman.

**Hon. Mr. Carton:** Then it must be determined that each of the contractors has vested appropriate authority in the organization, to enable it to discharge its responsibilities. In addition you have, as you know, the double majority, whereby it must be determined that the majority of the contractors employ a majority of employees for that particular union.

**Mr. De Monte:** Three criteria.

**Hon. Mr. Carton:** Yes. It cannot be done overnight. The accreditation applications came in fairly recently and I think, quite frankly, it goes back to the moot point that I suggested at the outset: the employers were relying upon coming to collective agreements with the unions for an extension of one year, during which time they would be able to get these accreditation applications under way. I think it resolved itself into that and again I do not blame the employers for taking that optimistic point of view back in January and I think it was done with the best of intent.

**Mr. De Monte:** There is no doubt about that, Mr. Chairman, but I notice now the employers are getting a little excited and so are the unions. It does not seem to be working out.

**Mr. T. M. Eberlee (Deputy Minister):** I think employer excitement relates somehow to the size of the settlements and it is very doubtful if any scheme of industrial relations legislation is going to have much impact on the size of the settlement.

**Mr. De Monte:** Yes, that is correct.

**Hon. Mr. Carton:** And when they sign collective agreements without basically asking for our services, which has been done in many cases, I do not see what government can do.

**Mr. De Monte:** That is the whole problem, I guess. That is the whole problem inherent in the whole mishmash. In connection with plant closures, Mr. Chairman, and I asked this question before—



**Mr. Chairman:** You are on another vote.

**Mr. De Monte:** Well, I was told that—

**Mr. Chairman:** If you can relate it to this, fine.

**Mr. R. Haggerty (Welland South):** I thought these were all combined together.

**Hon. Mr. Carton:** It is under employment standards, vote 1106, and we will be dealing with that also.

**Mr. De Monte:** And the hours per week will be under employment standards, will they not?

**Hon. Mr. Carton:** Right.

**Mr. De Monte:** How about automation and rationalization and the repercussions therefrom?

**Mr. Haggerty:** No, not necessarily.

**Hon. Mr. Carton:** It is a general subject that could be dealt with here and again in 1006, or deal with it in 1006 exclusively if you wish. Whatever you like.

**Mr. De Monte:** All right. Can I deal with the present Judicial Review Procedures Act here and The Statutory Powers Procedures Act as it directly relates to the Labour Relations Board? I understand the legislation that has been brought in will make certain decisions of the Labour Relations Board reviewable under The Statutory Powers Procedures Act?

**Mr. Eberlee:** As we understand it the legislation does not alter the privative clause in The Labour Relations Act.

**Mr. De Monte:** No, but there is a possibility—

**Mr. Eberlee:** Perhaps that should be discussed under the bill itself, where it is sponsored in the bill?

**Hon. Mr. Carton:** Yes, I would think it should be.

**Mr. De Monte:** Well, I could discuss it under the bill. I would like to find out from the minister what he thinks. I know that certain decisions of the board may be reviewable in view of the new legislation; I just want to find out what his opinion is on it, because certainly if we are at the point, Mr. Chairman, that many decisions of the Labour Relations Board were reviewable, then we probably would throw labour rela-

tions in this province back about 50 years. I know that there is still the privative clause there, but there is no doubt, even with the privative clause that we have, there have been reviews by the courts of many decisions—

**Hon. Mr. Carton:** Perhaps I can answer this, Mr. De Monte.

It is my understanding, and I have spoken to various people in this connection, I have read Mr. McRuer's most recent report, which is the one that deals basically with the OLRB and workmen's compensation, but my understanding is, and perhaps this is why it may be best brought up in the discussion of the bill, my understanding is that it does not affect the Ontario Labour Relations Board.

**Mr. De Monte:** May I ask why, then, Mr. Chairman? I know that David Archer of the Ontario Federation of Labour is very apprehensive about this legislation. He may be a bit too apprehensive, but he says, in connection with compensation. "It would weaken the fairest and best compensation legislation in the world and some of the best labour legislation in the world."

**Hon. Mr. Carton:** What did he say there?

**Mr. De Monte:** If I may read part of it, Mr. Chairman, this is by—

**Hon. Mr. Carton:** The part about the best and fairest compensation, that is the part I wanted to hear over again.

**Mr. De Monte:** I do not say that it is not fair; I say that its application sometimes is unfair, Mr. Chairman.

**Mr. Chairman:** We will look forward to the legislation.

**Mr. De Monte:** No doubt. But its application. In my respectful opinion, since the minister brought it up, humans err, Mr. Chairman. Legislation can be extremely fair but humans err, and I think that in that case there might be some question down there.

There is no doubt about it that it is the finest legislation in connection with compensation anywhere in the world, and I would be remiss if I did not say that. But he is apprehensive in connection with the Workmen's Compensation Board and the Labour Relations Board, and no doubt Mr. McRuer brings up the ultra vires concept of the whole thing, even in connection with the appeal system in the board. No doubt, Mr.

McRuer says, that any ultra vires decisions and all the decisions below the board level could be ultra vires, and in that case even without this legislation that could be reviewed by the courts.

But I am wondering, even with the privative clause that exists in The Labour Relations Act, can the minister tell me that the Labour Relations Board will be left alone by the courts?

**Hon. Mr. Carton:** That is my understanding, Mr. De Monte, and certainly we would be as apprehensive as anyone would be if we thought otherwise, and that is my understanding.

**Mr. De Monte:** Would the Metropolitan Life case be possible again? Or more possible? I know that it is possible.

**Mr. Eberlee:** Not more possible.

**Mr. De Monte:** I know it is possible. Let us face it, the Metropolitan Life case is possible with any private clause. But I would like to ask the minister, Mr. Chairman, does this make it more possible?

**Hon. Mr. Carton:** Not to my knowledge, Mr. De Monte. Again, I can only go on what I have been advised in connection with the bill, but it does not affect the Workmen's Compensation Board or the ORB.

**Mr. De Monte:** Well, may I ask this question, sir: Where would it affect—for instance—what type of a decision could be reviewed under the new legislation? Could they review, for instance, the question of the validity of the applications? Could they review the validity of the decision of certification by the board?

**Mr. Eberlee:** Frankly, our legal opinion in the department was that those two bills would not affect The Labour Relations Act; certainly that was the intention of those who were involved in drafting those two bills. It does not affect the privative clause, and the privative clause bars a review, but of course the Metropolitan Life case was based on a decision that the board had gone beyond its jurisdiction.

**Mr. De Monte:** Well, naturally, it is reviewable now, any time?

**Mr. Eberlee:** It is reviewable, yes.

**Hon. Mr. Carton:** You made a very valid point, and one, frankly, that again I will look

into when the Attorney General (Mr. A. F. Lawrence) is back. But that is my understanding.

**Mr. De Monte:** Would the minister undertake to look into this very fact, Mr. Chairman?

**Hon. Mr. Carton:** I will give you my undertaking.

**Mr. De Monte:** Because I know labour is apprehensive about it. I do not know whether management would be, but under certain aspects I think management would also be very apprehensive about it, and I think that their apprehension is fairly justified.

**Mr. Chairman:** It is most difficult, as you know, Mr. De Monte, for a minister to comment on a bill that he is the sponsor of.

**Mr. De Monte:** But his department will definitely be affected; that is the point. And I think it is a valid question under the circumstances.

**Mr. R. Gisborn (Hamilton East):** Of course, it is worthwhile to have the opinion of the minister not only in the sense that he does not believe that the bill will depend on the Labour Relations Board or the Workmen's Compensation Board, but is it the minister's desires that it not.

**Hon. Mr. Carton:** Right.

**Mr. Gisborn:** Well, this satisfies us in our concern, because we cannot get an interpretation until it is tested. If it passes with that understanding, and then we get the assurance that the minister, if it is tested and found to conflict, why we have his backing that we will try to correct it.

**Mr. Chairman:** I certainly think there are points to be brought up with the sponsor of the bill on second reading.

**Mr. De Monte:** I do not know whether I agree with you, Mr. Chairman, because it definitely affects the minister. The minister says that if it does affect his department, he will possibly do all he can to amend the legislation to make sure that it does not. There is no doubt that if these boards are reviewable that we will just jam up the courts with more trials than we ever dreamt of. We have had the experience of New York State and other jurisdictions, where they just jam up the courts and really ruin the intent of the legislation, which is to have a speedy way of hearing applications for certification and for



compensation. We want to make sure that remains the same.

**Mr. Chairman:** Mr. Pilkey.

**Mr. C. G. Pilkey (Oshawa):** Yes, Mr. Chairman. I would like to come back to the question that was raised by the leader of the New Democratic Party in respect of the Canadian Driver Pool Limited. I wonder if the minister had any opportunity over the weekend to review this letter, of which he received a copy, and if he has any comments in respect of any review that he may have made over the weekend.

**Mr. Chairman:** Mr. Minister.

**Hon. Mr. Carton:** Yes, Mr. Chairman, first, we are currently investigating it, but I have certain parts of the investigation completed. My understanding is that it is an Ontario incorporated company. I have not looked at the objects myself; I presume that its objects would be wide enough to certainly come within the context of being a legally incorporated company. One of my staff spoke to the principal concerned, and I was advised this afternoon that he would speak only to me; I will make an effort to speak to him sometime this week.

**Mr. Pilkey:** That is Mr. Grange?

**Hon. Mr. Carton:** That is Mr. Grange. There are certain points, of course, that one has to bear in mind, other than possibly isolated claims that are made in the letter. For example, the fact that he provides security services. He is not licensed for this, and of course would not fall under that; so perhaps he is making some claims that he cannot substantiate. But one must bear in mind that he presumably is carrying on a business. As to how far I could go to stopping him from carrying on, he tells me that he has had a battery of lawyers look at the situation and he feels that he is not in any way in breach of the law. There are many facets that one might look into.

I think the greatest thing that has happened to him, quite candidly, was getting the publicity that he got on the weekend. I frankly think very few people had heard of him prior to the weekend, and I doubt frankly that he had supplied these services to any or many companies.

**Mr. De Monte:** Does the minister know whether the company was incorporated?

**Hon. Mr. Carton:** I do not. I just found this out. I just got this memorandum this

afternoon; I will go into it in further detail. I wanted to find out if he was incorporated under the laws of the province firstly, and I can get the additional information. Certainly if he used Doberman pinschers on the picket lines and so on, there are parts of The Criminal Code that would help us there.

I do not think I have anything further that I can add to it other than that one of my staff from the industrial safety department attended at the premises and made an inspection of the premises. But this really would not be related to what we are after, Mr. Pilkey.

**Mr. Pilkey:** All right. I would like to ask a few other questions then. First of all, I would like to know if the minister has investigated the legitimacy of this organization under The Private Investigators and Security Guards Act 1965. Is he operating within the framework of that Act?

**Hon. Mr. Carton:** He does not have a licence.

**Mr. Pilkey:** With great respect, I think that the minister's department also should investigate to see whether he is operating legitimately within the framework of that Act.

**Hon. Mr. Carton:** I have turned this over to the OPP for investigation on that aspect.

**Mr. Pilkey:** Okay. I would also like to know if it is possible for the minister to find out what their contractual relationship is with employers. I do not know if it is possible or not, but I think it is one of the aspects we ought to know about.

**Hon. Mr. Carton:** Unless we can find even one person he has supplied services for, I am unable to do this.

**Mr. Pilkey:** You mentioned just a moment ago that until this was raised very few had heard about it. Well this is not what Mr. Grange says. He has a 100-man force, and it would appear to me that it would be very difficult to sweep that kind of a work force under the rug. In addition to that—

**Hon. Mr. Carton:** Excuse me on that point. I am not interrupting you except to try maybe to help you on this, or help me. Perhaps he may have interrelated companies, and his employee holding does not relate solely to this one company. I am just throwing that out as what may be the situation. I do not know as yet.



**Mr. Pilkey:** You said in your remarks that very few had heard of him, but Mr. Grange says that his men had worked at the scene of 90 per cent of the major southern Ontario strikes in the last two years. He has been involved in 90 per cent of the strikes in southern Ontario. That is what Mr. Grange says.

He goes on to say in his remarks to the press that "most people do not know we are involved in the strikes." As a matter of fact, he said, "our employees have to be protected, and lots of time we use a file number instead of names." What a sinister, underground movement this fellow is running. In view of the fact that—

**Mr. De Monte:** So far underground that nobody has heard of them.

**Mr. Pilkey:** The employees who are on strike are obviously legitimately there in nearly every case. They follow the law that is laid down by the Province of Ontario; yet you have this kind of an organization coming in and creating the very industrial chaos that we are trying to avoid in the whole field of labour relations.

It just comes to my mind that when they are handling Doberman pinschers and carrying around cameras and laying charges against hundreds of union members, I suspect very strongly that this chap is provoking incidents on the picket line. The very sight of dogs, cameras and security guards would provoke incidents on the picket line as opposed to—

**Mr. De Monte:** Or intimidate the workers.

**Mr. Pilkey:** Right. And that could very well be part of the operation.

**Mr. Chairman:** But the minister, if I gathered rightly, Mr. Pilkey, said he did not know of any incidents at the moment. Do you know of any incidents?

**Mr. Pilkey:** I am going by what Mr. Grange said. He said, "We have laid hundreds of charges against union members," and by the same token only one charge has been laid against them. He makes that observation as if he is very proud of all these things that he is doing.

**Mr. Chairman:** He may be seeking publicity too, Mr. Pilkey.

**Mr. Pilkey:** Well, I do not know what he is seeking. Obviously he is trying to get work, because he has already sent a letter to

the Toronto Daily Star and the Globe and Mail on the understanding that they have some labour problems, and my guess is that he wants to participate. He has already sent a letter to them, according to the reports.

The other thing that bothers me with this kind of an organization—he made an observation on wage parity and he made an observation on international unions. He said that they demand wage parity no matter what—this is what he is quoted as saying. That is not true either, and if he is some kind of a security organization for employers, when does he become some kind of a labour relations expert as well? Who is this organization that it can thus set itself up? Do they investigate every set of negotiations—the demands by the union?

And let us face it, when the union makes a demand on the employer it becomes public knowledge. They have to justify their demands in the public arena; it is in the press. He comes along and, you know, talks about the unyielding powers of international unions, and wage parity, and all of these kind of things—

**Hon. Mr. Carton:** Of course, you do not give much credence to his claims, do you?

**Mr. Pilkey:** He said that he has been in 90 per cent of the major strikes in the last two years in southern Ontario and this gets to be—

**Hon. Mr. Carton:** The gentleman that gave Mr. Lewis the card does not know anyone who has used these services. The people in the unions themselves have never heard of him, or do not know who he has used.

**Mr. Pilkey:** He is running a pretty good underground movement. He says here, you know, that they do not even use names and that in most of the—

**Hon. Mr. Carton:** I think he is so far underground he has not got a business.

**Mr. Pilkey:** He says that their involvement in most of these strikes is that nobody would even recognize they have got people there.

**Hon. Mr. Carton:** But he also said, and this is why I do not give much credence to it, frankly—and incidentally he said that they had been involved in only one case, not 90 per cent; that is another report—but in one case he said that he only deals with employers who are right. Now what a statement for a man to make on the outside. I mean, this to me is the measure of the operation.

Mr. Pilkey: Well I know that is true. Every employer that he would be with would be right obviously.

Hon. Mr. Carton: Because they hired him?

Mr. Pilkey: Because they hired him, right. No, but I just happen to think that organizations like Canadian Driver Pool Limited—and I raised this a year ago or two years ago, and I documented the case with Anning—and there have been other organizations, employers' organizations, that are mainly there to break a strike, they are strike-breaking. You know this fellow Grange said they are professionals not strike-breakers, but he should have said they are professional strike-breakers. There is no use in him trying to separate those two words because that is exactly what he is.

He said that when you say "strike-breakers" it sounds like you are physically smashing a group. Well you and I know that strike-breakers in a plant are not necessarily using physical force by any stretch of the imagination. A strike-breaker is one who crosses a legitimate picket line and goes in and takes the work that the employees formerly performed. That is what a strike-breaker is. And I just think that this chap is involved in strike-breaking in the worst kind of form, you know, where they are using dogs and cameras, security guards and all of the methods to curtail strikes.

And I just happen to think that if we have not got the kind of legislation to deal with these people then I respectfully submit that this government should provide the legislation to deal with them effectively. It is just a black eye to the whole field of labour relations in the Province of Ontario when we are subject to this kind of an organization. I just urge on the minister that he does, in some meaningful way, come to grips with this problem.

Mr. Chairman: Mr. Gisborn.

Mr. Gisborn: Mr. Chairman, I want to be brief, I have to agree with many of the things said by the member for Oshawa.

The admonitions of this character, whether they have credence or not, are made, and it is a detestable approach for anyone to be taking in this day and age. I think it deserves the strongest castigation by any Minister of Labour in our society today in regard to industrial relations. I have got some feeling that the guy is really pouring it on and feels proud about the fact that he can get the

publicity himself. The legality of his business has to be looked into.

But we must realize that in major strikes the conduct of that strike, as it is called a legal strike, is in the eyes of the public. And we have had cases where there have been disturbances to a point of violence on picket lines, where some have been arrested and the courts have asked if he was a member of that union and we found that he was not, and he was fined for participating when he was not part of the organization, but that is forgotten about. Now how often does this happen, where there are skirmishes, disruptions and violence on a picket line where people are infiltrated into the picket lines?

I know from experience that picket line captains in the unions try to police their picket lines to make sure that they are not infiltrated by disturbers. And when we find them, the thought that is going to come to our minds right away is that this is an organized kind of a deal, because when that happens the unions lose their credence as a legal strike and public opinion falls, and the management takes a hard look at whether they will sit down after there has been a disturbance.

I would hope that the public attention is drawn to this sort of thing, so that at each case where there is violence or disruption on the picket line, strong investigations are made to find out who is responsible in some manner because it will not do us any good in any sense at all.

Mr. De Monte: Particularly, Mr. Chairman, since this is so secretive and so underground and the line could be infiltrated by people in this type of organization to provoke, perhaps on purpose, incidents and create public opinion against a strike. Perhaps the minister when he is—I think the minister said he was putting this into the hands of the Provincial Police?

Hon. Mr. Carton: It is in their hands.

Mr. De Monte: I am wondering whether it should not be put in the hands of the Attorney General, as I suggested on Friday, Mr. Chairman, because certainly the company is advocating a sort of idea of "create chaos and you destroy public opinion"—and whichever side it is on, the public interest is not served by an organization like this.

And I would ask the minister if he might perhaps refer it to the Attorney General and also refer it to the Minister of Financial and Commercial Affairs, to see if the objects too



are in breach of any of the Acts of the Legislature, particularly the one in connection with security guards and private investigators. He maintains that he is a *soto voce* investigator and we should certainly make sure that he is not carrying on anything that is not within his powers.

And if the company is exceeding its powers, would the minister also speak to the Minister of Financial and Commercial Affairs about cancelling his charter and setting down certain guidelines on the issuance of charters, so that organizations like this cannot get the protection of the law if they do commit some act that renders them liable individually, but if it is incorporated it cannot become liable in the civic court.

**Mr. Chairman:** Mr. Smith? He has gone. Anybody further on this? Mr. Gisborn.

**Mr. Gisborn:** Yes, I want to deal briefly and make an appeal to the minister to take a look at the exclusions under the Act. I am not going to rehash the whole argument about exclusions and the right of everyone to collective bargaining, but in one particular instance, the security guard situation, I have had quite a deal to do with this, particularly in Hamilton, and I think it prevails in the rest of the province. This group should not be allowed under the Act, and I would ask the minister to take a real look at it. We have had cases in the past where the security guards for any particular industry have been let go, and done away with, and the company then has rehired security provisions through a security investigation company. Invariably they prey upon, by advertisement, those who are in their fifties and do not seem to be able to find a job someplace else, and a pay somewhere between the minimum wage and \$2 an hour is the best that I can find.

Lately they have put strong infringements upon them, inasmuch as they have to provide their own transportation and pay for uniforms. I understand now that they have to be cleared by the RCMP as to their characters and this sort of thing. But none of this, I think, should keep them out of organized collective bargaining.

In Hamilton, three of the major groups have approached me and pleaded with me to try to do something on their behalf. They would like to get organized. They would like to come under the Act and they cannot find any reason why not. I would ask the minister and his department to take a really

deep look in this particular case and see if they cannot be brought under the Act; see if there is any strong, inherent reason why they cannot be good trade unionists and be treated as a collective group with regard to their wages and benefits.

The other thing I would like to ask—

**Mr. Chairman:** Mr. Minister.

**Hon. Mr. Carton:** I was just going to say that the point you are bringing up, Mr. Gisborn, is the one that was debated when this Act was brought in. They can have their own unions, you know, as long as it relates only to security guards. The point about them being tied in with the other employees, I think, if I am not mistaken, is a principle well supported by your party and by the Liberal Party; the fact that they should be in their own union. As I understand it, the difference in opinion on it is whether or not they should be able to be allied with international unions, other unions.

**Mr. Gisborn:** Well, I am not clear on the—

**Hon. Mr. Carton:** They are entitled to have their own union now.

**Mr. Gisborn:** I understand that if they are part of an industry, working for an industry, then they can apply for bargaining rights for their own group. But when they are working for a security investigation company, they are not allowed to.

**Mr. Eberlee:** They would then presumably have to be in the larger bargaining unit of the employees of the security company.

**Mr. Gisborn:** Is this permissible?

**Mr. Eberlee:** They would not be certified. Say they were XYZ Security Company, but 10 of them are working over here in this company's premises. The 10 could not be certified as a separate unit. They would have to be certified as the employees of that security company.

**Mr. Gisborn:** And that is permissible?

**Hon. Mr. Carton:** That is permissible.

**Mr. De Monte:** I take it, Mr. Chairman, that the point Mr. Gisborn is trying to make is that they cannot become part of the larger union?

**Hon. Mr. Carton:** No, they cannot be part of the industrial union in the same plant. They have to be on their own, or as Mr. Eberlee says, they are part of the company



that employs only them. Then they would have their own union.

**Mr. De Monte:** Can that company, that union—the larger union, say the security union—not be a member of the AF of L, for instance.

**Hon. Mr. Carton:** No.

**Mr. De Monte:** I am wondering—if I may ask one more question—suppose the plant is a UAW plant. Suppose they were working at General Motors. Could that union then become part of the CIO?

**Hon. Mr. Carton:** No.

**Mr. De Monte:** Why? May I ask why not?

**Hon. Mr. Carton:** Again, this was the subject of debate when it came to the Legislature. The reasoning behind it, as I understand it—the principle behind it—is that they are a special group of employees. They are protecting employers' property. The principle behind it, and I understand this is the case in the United States as well, is that they would not want this group subject to any union discipline for protecting employers' property. They are a sort of special group of people.

**Mr. Eberlee:** There is potential conflict of interest.

**Mr. De Monte:** I can see the potential conflict of interest, but I cannot see it between the CIO and the AF of L.

**Hon. Mr. Carton:** But they could join. For example, a unit here could join an international guards union.

**Mr. De Monte:** If there is such a union.

**Mr. Eberlee:** Yes, there is an international—

**Mr. De Monte:** May I ask, are there any security unions certified under The Labour Relations Act?

**Mr. Eberlee:** Oh, yes.

**Mr. De Monte:** How many?

**Mr. Eberlee:** I cannot tell you off the top of my head how many, but there are some.

**Mr. De Monte:** I understand that they have very low rates of pay. I think that is the truth.

**Hon. Mr. Carton:** I think that is what Mr. Gisborn said, and I think it is probably valid.

**Mr. Haggerty:** One of the reasons for that, though, is you have persons who are moonlighting. They do this in their spare time.

**Hon. Mr. Carton:** Or older people.

**Mr. Haggerty:** Again, you find when they moonlight like this, they keep the wages down. When some employer can hire somebody for a \$1 an hour less he will hire him. The person who makes a permanent living out of it has to be subject to such procedures. I do not think this is right at all. This is what I find with this association, or with the groups of persons in charge of security.

**Mr. Chairman:** Anything further on this point?

**Mr. De Monte:** On the security guards?

**Mr. Chairman:** Yes.

**Mr. Gisborn:** Yes, one other point. I forget the figures but the job of the board is to handle terminations, regardless of the number of terminations during the year. What seems to be the predominant factor of termination?

**Mr. Eberlee:** Predominant cause?

**Mr. Gisborn:** Yes, is it application for decertification, or the union peters out, or what?

**Mr. Eberlee:** These things come forward, there are not many of them, but they do come forward as applications for decertification, and then a vote is held. I do not think, probably, that the real underlying reasons behind them ever appear in the statistics. I could not get into that.

**Mr. Gisborn:** How many ways are there for termination of bargaining rights? Application for decertification by other employees, if they do not have a contract within a certain period of time?

**Mr. Eberlee:** Right.

**Mr. Gisborn:** Are there other reasons?

**Mr. Eberlee:** No, not really. Basically these applications are from a group of employees to be decertified. There are far more, of course, of the replacement of an incumbent.

**Hon. Mr. Carton:** That is a different thing.

**Mr. Eberlee:** That is quite a different thing.

**Hon. Mr. Carton:** That is by way of decertification.

**Mr. De Monte:** What is the difference between termination just for termination's sake, and termination for—

**Hon. Mr. Carton:** Rival union?

**Mr. De Monte:** —representation by another union.

**Hon. Mr. Carton:** That comes by way of certification application for another rival union.

**Mr. De Monte:** Can they move for termination and then certification?

**Hon. Mr. Carton:** No, you just apply for certification.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Yes, Mr. Chairman, on vote 1003. My concern is the number of man-hours in strike days that are lost due to work stoppages, in Ontario in particular, and I might say all of Canada. Have there been any studies completed by the minister's department?

**Hon. Mr. Carton:** Collective bargaining in 1970 was one of the research studies that was done by our department and as was mentioned by Mr. Pilkey the other day in support of the present system, he pointed out that there were only about 2.5 million hours lost last year, compared to 5,700,000 the prior year.

**Mr. Haggerty:** That, again, may be the number of contracts that are coming up in that particular year. Now this year, I think, steel is coming up, if I am not mistaken, here in Ontario.

**Hon. Mr. Carton:** Not this year.

**Mr. Haggerty:** Not this year—next year? Well, it could be. The pattern is in the States it is going to be up this year, and I was just wondering. The United Nations international labour office reports that in 10 years between 1959 and 1968, Canadians averaged 784 strike-lost man-days per 1,000 employees per year. In the last five years, between 1964 and 1969, our average had zoomed to 1,158 per 1,000 employees per year. That is rather high. In the more highly industrialized Great Britain, strikes had been traditionally legal at any time for any reason. Yet Britain's 1959-1968 annual average strike loss was only 262 days—

**Hon. Mr. Carton:** But this year in the first three months in Britain there have been seven

times as many as there have been in any year since 1958.

**Mr. Haggerty:** But they have applied new legislation though, have they not? This is the cause; this is what I am coming to. In Sweden, where there are no anti-strike laws and where most employees, including managers, belong to unions, the annual average man-days lost for the same period was almost invisible—15. A remarkable difference. And yet in Canada our labour problems are increasing and rank the highest of any industrialized nation in the world.

Now, I do know what some of the problems are, maybe I can come through with some of them, but reading the article here by Mr. Murray Cotterill on compulsory arbitration, "The Safety Valve is Stuck," this is what he has suggested:

The Canadian Labour Congress favours cutting through the whole snarl of legal precedent by enacting an overriding charter of minimum labour rights. This would include the right to bargain "all matters arising out of technological change and automation" and would include "the right to strike during the term of a collective agreement if bargaining cannot resolve matters not covered by the agreement."

One of the problems I find from being a union steward in the past is that many grievances come up in the term of the contract, in the period of the contract, and there seems to be a long delay in getting settlements made.

You can go to arbitration but, again, this is a process that may take six months to a year to two years. These things build up over a period of one to two years, whenever the contract comes up. Then when you go to the bargaining table to renew that contract, there must be pages and pages of grievances that they have to bargain over at that particular time.

Of course, times have changed, so that you just cannot keep up to date with them. I think there must be some way to move along in a contract. The contract should be open. You know, in many contracts, one of the clauses they usually have—and I am thinking of the United Steelworkers of America—is the no-strike clause. That is the very first heading there, and it is usually binding until the agreement runs out, say, in two years of a three-year contract.

But all these grievances are not being settled in that length of time and I am just

wondering if your department has come up with some solution or some guidance to open the door so that these things could be settled in that period and perhaps we would not have the number of strikes in Ontario.

**Hon. Mr. Carton:** Right. Well, first of all you are not suggesting it is the fault of the government that these grievances are not processed as quickly as they might be?

**Mr. Haggerty:** Well, in cases where the arbitration, where there is nothing in the contract—for instance in the technological change, where automation comes in and persons are being laid off—I think this is where your department should be able to come in and set down policy because there is no agreement for it. Do you see what I mean?

**Hon. Mr. Carton:** Right, but you were mentioning the fact that grievances that are covered are not processed as expeditiously as they might be.

**Mr. Haggerty:** There is a procedure that has to be followed.

**Hon. Mr. Carton:** We have, as you know—and this is only fairly recent—we have the labour-management arbitration commission, which is setting up a group of expert arbitrators and we hope that through—

**Mr. Haggerty:** Is this the one that has just advertised in the Ontario Gazette?

**Hon. Mr. Carton:** Right, for two years now they have been cataloguing experts and training them.

**Mr. Haggerty:** How are you going to break the deadlock when there is a disagreement between them? There are three from each side, if I am not mistaken, three representing the government or management and three from labour. You have an even group there of six persons.

**Mr. Eberlee:** On the commission?

**Mr. Haggerty:** The commission, yes.

**Mr. Eberlee:** Yes, there are three from each side.

**Mr. Haggerty:** How do you break the deadlock?

**Hon. Mr. Carton:** But that is the commission itself, not the ones who go out and hear the grievances.

**Mr. Haggerty:** Oh, I see.

**Hon. Mr. Carton:** This is the commission itself. That is, in order to make certain it was set up properly, and had the following of both labour and management, it was set up as the labour-management arbitration commission. And there were three persons designated to represent labour and three to represent management. In order to set this whole machinery up for the processing of our—

**Mr. Haggerty:** Have you thought of following any of the procedures or recommendations of the Woods task force on labour?

**Mr. Eberlee:** They picked their recommendations up from this—

**Mr. Haggerty:** I was just wondering—

**Mr. De Monte:** —from our scheme.

**Mr. Eberlee:** From our scheme. One of the members of the Woods task force, of course, is Dr. John Crispo, who had chaired our union-management council which recommended this particular scheme.

**Mr. Haggerty:** There was an article just today that rather disturbed me, an article in one of the Toronto papers, and it says: "Swiss world bank statement—" I mean, they criticize—

**Hon. Mr. Carton:** Yes, I read that one.

**Mr. Haggerty:** —that labour is the creator of all inflation. It is too bad we could not open up the World Bank and find out just who has the money over there. But again I mention the Canadian industrial relations report on labour relations, and I go back to that one quote from it and they recommended this:

That in an incomes and cost research board, there should be no constitutional obstacle to the establishment of an incomes and cost research board essentially if it is conceived of an advisory body though it may require powers of subpoena. In any event, we would recommend that it be a joint federal-provincial board. Provincial co-operation should preclude any issue of constitution. Where the constitutional base is required it could probably be found in the Parliament's trade and commerce power.

And I think I would have to support this recommendation, because in many instances where you have labour problems in dealing with agreements and new contracts coming



up, labour often sits off to one side and is criticized and management says: "You are demanding too much." And yet you actually cannot get to the company books. You know what I mean.

For example, let us take International Nickel Company in the last strike they had—back in 1968, I think. Anyway, the group of employees were caught between unions and management and they were the ones who suffered by it. Right after that settlement was completed, back in December, I think it was, International Nickel Company came out and raised the price in nickel almost 25 per cent—25 per cent in one hike!

Following the previous contract, I believe, they raised the price of copper three times within six months. And yet you say: "Well, shouldn't labour have something out of this increase?"

I remember putting an argument to one of the officials there and he said: "Well, the average Canadian in Canada consumes about—well, uses about one pound of nickel per year, so it is only going to cost the Canadian taxpayer about one dollar—what would it be for Canadians, \$5 million? But we are bringing in \$50 million in taxes additionally."

This is what their argument was, additional revenue in taxes coming in. But I can tell you this, this created inflation on the price of nickel throughout the world. You know, once we have a commodity here that we have control of or the market is here, we can almost name any price tag on it. Supposing every country took the same attitude and said: "Well, here is something that Canada cannot produce and this is our price." Who creates the world's inflation? All these things should be investigated or reviewed at different stages in any contract.

**Mr. Chairman:** Mr. Minister, do you want to—

**Hon. Mr. Carton:** Basically, is it the gist of your argument there should be prices and incomes control?

**Mr. Haggerty:** No, maybe it is going to come to this, I think eventually it will. I mean this is the last stage that government has, this is the only thing it has to hold them back. It is just like holding the hammer over them.

But this will come eventually if we do not have something like this, if companies or firms do not control the prices a little bit and unions do not stick within the fair limit of wage increase. Like I said, how can you

have one company putting the price of a product up 25 per cent in one hike?

**Hon. Mr. Carton:** Well, after reading the economists' opinions over the last month of the conference they had in Ottawa—one day you pick it up and it is one thing and the next day you pick it up and it is another and I must, with all due respect for economists—

**Mr. Haggerty:** No, again you know—

**Hon. Mr. Carton:**—they make a pronostication based on something, and if it does not work out they do not blame their prognostication, they say the material on which they based their facts did not come into existence.

**Mr. Haggerty:** If they come in with a guaranteed income—that certain families are going to have so much to live on—maybe they will come in with wage and price controls. Again, I mean perhaps this was one of the problems, some of the labour problems within Ontario. This government steps into the picture and has, what, about five different minimum wages set? You can take a plumber and if he is on a government project, I think the minimum wage is—what is it, \$5.50 for a plumber, \$5.50 for a bricklayer?

**Mr. Eberlee:** It depends upon the region.

**Mr. Haggerty:** But why should the government get in to set wages? You are establishing a wage there, and the rest of them in the working field. Has not the government come in and set their wages for them? You know what I mean, in a sense they say, "make everybody \$5.50 an hour."

**Mr. Eberlee:** This is under The Industrial Standards Act.

**Mr. Haggerty:** Yes, this is right, you set them. There is no bargaining, in a sense.

**Mr. Eberlee:** The parties have negotiated a schedule under The Industrial Standards Act, and that schedule presumably represents the desires of a predominant number on both sides. So under that Act it becomes binding on the whole industry in the area.

**Mr. Haggerty:** And any industry can employ a student who is probably just as clever in his type of work, or something like this, and he gets—what? What is the—

**Hon. Mr. Carton:** One dollar and 30 cents is the minimum.

**Mr. Haggerty:** One dollar and 30 cents, you see. The next one is \$1.65. You create

these problems yourself in many instances. I do not think this \$1.65 is high enough, not under the present living conditions in the Province of Ontario.

**Hon. Mr. Carton:** That is another point we will cover that under employment standards, minimum wages. We will get into that later.

**Mr. Chairman:** Mr. De Monte.

**Mr. De Monte:** I was going to pursue the point the member for Welland South made and that is in connection with the multitude of points that have to be negotiated on a contract.

I am informed, Mr. Chairman, that in a recent UAW strike in the States something like 56,000 different grievances were processed even before they got down to the nitty gritty of wages. Is there any way, Mr. Chairman, that the minister envisages being able to cut these very contentious issues down?

I am thinking of inserting in a union contract—and I do not know what my friend from Oshawa would think—that there should be continuous negotiation on these very points—

**Mr. Haggerty:** As the change arises.

**Mr. De Monte:** That is right, "as the change arises." I understand that they were even arguing the distance of the washroom from the production line in some cases. They were into working conditions, Mr. Chairman—where one man was working 20 feet from a very warm place, very close to it, so that his health was endangered. They had to negotiate all these very bad working conditions and there was no way really of resolving the issues during the life of the contract. It probably prolonged the UAW strike, by how long—these 56,000 different grievances that had to be worked out?

**Mr. Pilkey:** I do not know, it is very difficult to say. It was a prolonged strike. It is usually worked out, very frankly, during the course of negotiations itself,

**Hon. Mr. Carton:** Part of bargaining is it not?

**Mr. Pilkey:** It really is not. What usually happens with grievances that are left over from a former contract is that they strike off subcommittees and those subcommittees deal with those grievances. The main negotiations may be proceeding while subcommittees are dealing with the grievances.

I would think that there would be a very limited number that would still be around at the 11th hour; those grievances would be basically out of the way and dealt with. They can be dealt with rather speedily at that point. Management has a tendency to want to get them out of the way as well as the union.

**Mr. Chairman:** It is a matter of priority.

**Mr. Pilkey:** They can proceed much faster at that point than they can during the normal life of the contract. I think that is the point.

**Mr. De Monte:** That is the point.

**Mr. Pilkey:** I think the point is that there is some way that this grievance procedure has to be speeded up, so that people are not continually running around and asking: "Where is my grievance? What has been the dispensation of it? What is the answer?"

**Hon. Mr. Carton:** We have this fair representation legislation in now.

**An hon. member:** That has nothing to do with it.

**Mr. De Monte:** Is the answer continuous negotiation during the life of the contract on these things? It seems to me—and I do not think there is much leadership coming from The Department of Labour—on the point that these multitude of grievances should be able to be negotiated during the life of a contract.

Otherwise the negotiators are going to be stuck with grievances in connection with automation, with rationalization, grievances with jobs becoming redundant, grievances in connection with vested rights and residual rights. Why cannot they be worked out?

There is a section in the Act, there is no doubt about that, but I suggest, Mr. Chairman, that perhaps the contracts could be so worded with statutory conditions that all grievances, if there are so many grievances, should be negotiated during the life of the contract.

**Mr. Pilkey:** One of the great problems dealt with, with great respect on grievances is that—you are talking about grievances backing up—is the time limit. When the union violates the time limit, and there have been a number of arbitration cases on this—you know, decisions—you lose. But when management violates the time limits on the grievances they say, "Yes, we were in violation of the agreement and we will not do it



again," so the grievance then starts through the procedure again.

**Mr. De Monte:** It becomes a contentious issue at the time of negotiation of a new contract.

**Mr. Pilkey:** It could very well, but by the same token, the union loses its grievance when it is in violation of the time limits, but the companies never lose theirs, as result of violation of time limits.

It is just one of the things that I think needs to be changed. If the union is in violation of time limits and they lose their grievance as a result of that, then obviously the company should. It is fair; it should be a two-way street. They should lose theirs as well.

**Mr. Eberlee:** There is no reason why they should not. There is no reason why they would not, under the laws that stand.

**Mr. Pilkey:** But they do not.

**Mr. De Monte:** They do not.

**Mr. Pilkey:** What you can do is file a grievance saying that the company is in violation of the time limit under section so-and-so of the collective bargaining agreement. The company responds then saying, "Okay, we were in violation, we agree with that and we promise that it will not happen again." So you go on with the grievance, as if it never happened.

But there is no law that I know—maybe you could point it out to me—that is in The Labour Relations Act, saying that the company loses their grievance because they violated the time limit.

**Mr. Eberlee:** I suppose if it is a company grievance—if it is something to do with one of those creatures known as a company grievance.

**Mr. Pilkey:** Oh well, about 99.999 per cent are union grievances and very rarely, as you know, does a company file a grievance.

**Mr. Eberlee:** Of course, we are talking here about grievances and grievance. Now a grievance under our definition is presumably a violation of the collective agreement. We have never been able to understand why a union did not push the thing on through if it did not get satisfaction—why they did not push it on through to arbitration. We frequently encountered these large pile-ups, but—

**Mr. Haggerty:** Sometimes you can almost spend a year trying to get arbitration on them.

**Mr. Eberlee:** That is right. But not today, if they are pushed forward. Everybody is great at blaming the other guy for some delay that has occurred in the process. This is a great field for that sort of thing. But if these things are pushed forward there is no reason why they cannot be resolved, and particularly now, with the supply of acceptable and competent arbitrators that is on the roster of the labour and management arbitration commission. There should be less and less delay.

But grievances are a funny thing. They tend to blossom in the springtime just before a new collective agreement is being negotiated. It is like safety complaints. You can almost tell when an agreement is drawing to its conclusion because safety complaints in certain areas will tend to go up. It is all part of the process.

**Mr. De Monte:** Perhaps the process is wrong, Mr. Chairman.

**Mr. Eberlee:** You cannot make water run uphill, I do not think.

**Mr. Haggerty:** If you force it, it will.

**Mr. De Monte:** Fifty-six thousand grievances and my friend says they have subcommittees to work them out. Nevertheless, it must take time. There must be the nitty-gritty ones—the basic ones that get down and become part of the reason for going to back or not going back to work.

What I am suggesting is that perhaps we should have continuous negotiation during the life of a contract. I know that happens in many very highly industrialized countries like Sweden, which have a very highly tuned labour relations—

**Mr. Eberlee:** I suppose we have that here but we do not have the right to strike at any moment during the life of the collective agreement. I do not suppose too many people would advocate—

**Mr. De Monte:** No, I am not advocating that. I would advocate that a plant committee and management committee sit down and work out the problems that were so prevalent in the last UAW strike—the safety grievances, why a person was fired unjustly. These things could be negotiated during the life of a contract.



The member for Oshawa has pointed out to me the very highly sophisticated system they have. But would it not be wiser that instead of having 50,000 they got 10,000 just before a contract is ready to be negotiated?

**Mr. Eberlee:** Of course, we do not have that sort of thing in Canada or anywhere in Ontario. They have those problems in the States.

**Mr. Chairman:** Have you pursued this as far as you want to go?

**Mr. De Monte:** I am still wondering in connection with the vested rights of workers. I guess we could discuss it under industrial standards—but the minister's predecessor has tried to set down some rights of the worker in The Industrial Standards Act in connection with layoffs and pension rights.

Is the minister contemplating setting down sort of a constitution of vested rights for workers so that these men will not just be pawns in the industrial game of rationalization and automation? That is another aspect of the situation I might bring up. Why could it not be part of your department's concern as to what happens in an industrial contract or collective agreement in connection with the jobs that become redundant? Should they not be negotiated between management and labour—and what happens to them? What is the role of government in that regard?

What happens to a man fired from Dunlop who is 54 years old, who is handed back his pension and thrown on to the welfare rolls? I think my party made its point in the debate when it was bringing in the amendments to The Industrial Standards Act and The Labour Relations Act, but I am wondering what the minister has in mind about these things because certainly in the Seventies these are going to be the basic problems in our industrial society.

There is no question that bargaining and the right to collectively bargain and so on are basic rights which we recognize, but these things that happen because of the rationalization of plants, automation and many other factors which are just coming to the fore in our industrial society, are going to be directly related to the rights of workers when their jobs become redundant.

I think we should take a very close look at this whole aspect of industrial relations and automation and rationalization.

**Mr. Chairman:** You are really on another vote though are you not?

**Mr. De Monte:** Well no, I do not think so. I think we could legislate this type of protection for the worker under The Labour Relations Act. You could say that it is properly under The Industrial Standards Act. If you want me to I will ask the question later on, but it is a very valid question.

How about residual rights? They must come down under this vote. Has the minister thought about what is going to happen to this question of residual rights? I know now that they accrue to the employer, but certainly we should rethink some of these residual rights as they should accrue to the worker and of course you know that any right not covered by the collective agreement accrues to the employer.

**Hon. Mr. Carton:** That is right.

**Mr. De Monte:** I think these are things the minister should think about because, if he does not, he might be in real trouble in a very short order. There is no doubt—what did we have, 67 plant closures in the last year?

**Mr. Chairman:** I think you are on another vote.

**Mr. De Monte:** I am just pointing it out to the minister that perhaps some of these closures were because of rationalization and automation and I would like the minister to think about it and perhaps answer me under the other vote.

**Hon. Mr. Carton:** Perhaps I can give an answer now. I am wondering how far the member wants government to draw up, as it were, statutory collective agreements?

We are a great believer in their getting together and coming to their own collective agreements. But if we keep putting in this and this and this you are going to have something like The Short Form of Mortgages Act. You are going to have a draft collective agreement and there it is, sign it.

**Mr. De Monte:** I do not think labour would be against the statutory clause in the agreement that—

**Hon. Mr. Carton:** Not that clause that protected them which is sauce for the goose and sauce for the gander. Then you have to go all down the line.

**Mr. De Monte:** That might be true, and the statutory collective agreement might be acceptable when you say that a worker who is going to be laid off has certain rights vis-à-vis the employer.

**Hon. Mr. Carton:** I think in the more sophisticated collective agreements, they are getting to some of these answers, and perhaps it will be an education process as it comes down from the more sophisticated—

**Mr. De Monte:** It could be. Could be, Mr. Chairman, that might be correct, and these things might develop.

**Mr. Chairman:** The companies could copy one another's agreements.

**Mr. De Monte:** Yes.

**Hon. Mr. Carton:** They are like lawyers.

**Mr. De Monte:** The special inquiry commission—that is under The Labour Relations Act is it not?

**Hon. Mr. Carton:** Industrial inquiry commission—section 30—1.8, what is it?

**Mr. De Monte:** It sounds like I can discuss it.

**Hon. Mr. Carton:** Right. Fine.

**Mr. De Monte:** I am wondering when we consider all these rights—and I notice that you have a commission there that you can give pretty wide powers to—

**Hon. Mr. Carton:** Right. So they tell me.

**Mr. De Monte:** —ad hoc powers, too. I do not necessarily agree that you should have those powers, but I suggest that perhaps, under this commission you could look into plant closures and appoint the commission to see why the plant is closing down.

I am not on another vote because this is specifically under this section of this Act. I am wondering whether the minister might not consider the special inquiry commission as a vehicle to look into plant closures, to find out why they are closing the plants, to find out whether Mason and Risch are going to the United States to produce pianos, thereby putting people out of work, and why they are going to the United States?

Is it because they are losing money, or is it because they are just rationalizing their production? These questions could be answered by the industrial inquiry commission. You can give it the powers, provided you do not infringe on any federal power, you can give this to the special inquiry commission and you can use it as a very meaningful vehicle to find these things out.

No doubt, if we had applied this sort of concept to the Dunlop thing and also to the

tube industry, we may have come up with a lot of answers that we do not really have, answers that we should have had prior to these companies being allowed to do what they did.

There is no doubt that we are not producing the tubes now we produced in 1956. If we had a commission to look into the reason for the closure—we have all kinds of excuses, but we do not really know the answers to the reasons for the transfer of production or to the closures.

When I refer to the 67 plant closures, then there is no doubt that a lot of them were closed because they were not productive facilities and they were losing money and had to close.

I am not trying to argue that an inefficient plant should stay open, but I am making the point that if a company is making money—and the only reason it is moving out of Ontario or closing down is to make more money, to rationalize production—then I think the inquiry commission could say to them: "If you want to import your goods back into Canada and shut this plant down, we will do all in our power to put a tariff on your goods or we will produce them here." There is no doubt the goods that were being made at Dunlop are being produced now by plant employees and at a competitive cost.

They have about nine months of orders from the United States for the belting that Dunlop says they could not produce competitively, and I am sure if the minister had looked into this whole process at Dunlop there is no doubt in my mind we would have found that it was just rationalization of production—that they could have made money here but they did not choose to remain open in Canada, in Ontario, and we lost, what, 340 jobs?

It might be true that most of the workers found jobs; could be, but we still lost 340 production jobs we had to replace with other jobs and somebody is out on the street because of that plant closure and that is what I have to say about this special industrial inquiry commission.

**Hon. Mr. Carton:** Inquiry commission.

**Mr. De Monte:** That is what I have to say about that vehicle. I do not think you should use that vehicle to form an ad hoc committee in order to declare a strike illegal or to enforce arbitration or anything like that.

I think you have the vehicle now and you could possibly use it to great advantage and



you could possibly come up with some of the very pertinent reasons for plants closing down other than for inefficient production and where they are losing money.

I say that is a good vehicle and the hon. minister should possibly think about that when he looks at some of these closures that are just—we have no reasons for their closures. It could be they have to close down. I am not saying they should not but then when we have no reason—

**Mr. Chairman:** Any comments, Mr. Minister?

**Hon. Mr. Carton:** Well, none other than this, I never agreed, frankly, with the opposition when they objected to this section being in there because I took this section as being one that could be utilized in the manner in which you are suggesting and those would have been my thoughts as a listener and participator in the debates and I am happy to hear you say that. I agree that possibly this section could be used in the manner that you are suggesting, you know.

**Mr. De Monte:** But I think the basic problem there—and I think the minister understands this—is that if the plant is losing money and it has to close, close it. I mean, there is no way we can go on—

**Hon. Mr. Carton:** Bear in mind, all this commission does is report back to the minister.

**Mr. De Monte:** Yes, but in the public opinion, if the commission came back and said, "Look, they are making good money but they want to make more money somewhere else," I think that is informing the public of the reason they are closing down. And, of course, you as the minister can take certain steps after the report to see that certain things are done and maybe make them keep operating.

**Hon. Mr. Carton:** It would take a very sophisticated commission, I think, to look into major topics such as this.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** Well, Mr. Chairman, I want to just spend a few moments on the whole question of hospital workers and workers in nursing homes.

As the minister knows, this party has been unequivocally and totally opposed to compulsory arbitration in any form; we just do not believe it is a process for the settlement

of contractual disputes anywhere in the field of labour and management affairs. The minister must also know that there are thousands and thousands of employees now in hospitals and homes for the aged and, very frankly, The Hospital Labour Disputes Arbitration Act in 1965 was opposed consistently by the union at that time and by the hospitals. At the time this bill was introduced, there was deep concern that compulsory arbitration in the public service would fail, and I want to tell you that in my view the fears of the people who were concerned with hospital workers have been justified in terms of the kind of negotiations that have been going on under The Hospital Labour Disputes Arbitration Act.

I think that if we scrutinize the awards that have been made since the implementation of this legislation, we would find that workers are falling further and further behind. It has not been the vehicle that provides the kind of economic security that workers in hospitals and homes for the aged are entitled to, in my view. In the adjustment of wages, fringe benefits and working conditions, the workers have found themselves falling further and further behind.

They have obviously fallen behind the industrial workers in this province, and I might also say that—I just want to quote some figures for a moment—at the time this legislation came into being, there was a disparity of about \$24 a week between the hospital workers in the community and the municipal workers. There was that kind of disparity on the average. That has now escalated to about \$45. In the average municipality there is a differential now of at least \$45 a week; so that indicates the hospital workers are not being treated equally with workers in the municipal field, even though they are organized by the same union in the same communities.

Obviously the reason is that there is free collective bargaining in the municipal field. That process is being followed with the municipal workers as opposed to compulsory arbitration with the hospital workers, and I do not think that this government should allow this to perpetuate itself. I suspect that in another four or five years, if we are going to continue with this same kind of formula for negotiations, it will not be \$45—they will find themselves \$65 to \$70 behind. That is just a guess on my part, but nevertheless that is my view.

I do not know how the government distinguishes between someone who has chosen



to work in a hospital or a nursing home as opposed to someone who has chosen to work in the municipal field—you know, the fellow who picks up the refuse or keeps the roads clear as opposed to someone who is looking after the sick or the injured who enter the hospital or the home. Surely there is no government that can make a distinction between that kind of work that is being performed in many municipalities.

I want to tell you that at the time that this legislation was enacted, they set up a criterion that arbitrators should use in determining what employees should receive. Basically, the criterion that is to be used by an arbitrator is that he makes a comparative analysis of various hospitals throughout the province; he does not take in to consideration what other municipal workers are getting and what workers are getting in private industry. Those are not the criteria being used, and I just happen to think it is ludicrous that an arbitrator uses the yardstick to determine what wages are to be paid by using comparable rates that are being paid in other hospitals. Very frankly, the other hospitals in the municipalities in the Province of Ontario cannot make any significant economic progress if that is the criteria that is going to be used, because obviously they are not making any progress either in these other areas. So I think the wage levels and the criteria that should be used are really, "What is justice for those workers in that area?" as opposed to using other hospitals to make that kind of determination.

The wages that are being paid are so far behind those in the municipality or in private industry that—maybe the words "starvation wages" are a little too strong, but nevertheless I use that term, because you know all they are doing then is relating it to inferior wages, maybe I should use that as a better term, inferior wages in another area or another jurisdiction. So I just happen to think that the government ought to change this and allow hospital workers the same right of free collective bargaining as any other workers. In addition to that, it has come to my attention that compulsory arbitration in itself has resulted in protracted and delayed negotiations as well—and I talk about that in the sense of other negotiations. In addition to that there is no guarantee under your legislation, as I understand it, that even under these protracted or delayed negotiations it is necessary that the arbitrator rule that the wages be retroactive. I mean these negotiations can be delayed abnormally and

workers then find themselves being created in a sense from any retroactivity.

Now if that is a fact, and the government is going to continue with this compulsory arbitration, then obviously all wages should be retroactive, mandatory on the board of arbitration. To this date this really has not come about.

In addition to that, as I understand it, where unions are demanding a one-year contract under The Arbitrations Act, negotiations could carry on for a year and then you find a collective bargaining agreement and what do you really have? You have got a two-year contract, not a one-year contract, because it took a year to reach that point. So I just submit, Mr. Minister, that that has really got to be changed if these people are going to get their equity in our society.

In addition to that, I am not convinced—and I say this with great respect to the people who are participating in this field—that arbitration in itself is necessarily impartial. It is not impartial. I do not care who is doing the arbitrating, the human element is involved and all of their prejudices and everything else. My guess is that most of the arbitrators in hospitals would be prejudiced against the worker. I say this for this reason: their background is not conducive to employees in any field. It really is oriented the other way—to employers. And that is my view. Someone may be able to dispute that and I would hope that if they do that they could give me some valid illustrations where that is not a fact. But my guess is that most arbitrators—and I say this with great respect—are not impartial. I say that, too, even where the parties have failed to agree on a choice of a chairman and the minister then appoints an arbitrator. I just do not happen to think that they are that impartial. As a matter of fact, any arbitration decisions that I saw in this area have led me to believe that my assumptions are correct, and I think that this whole question of compulsory arbitration in the field of the hospital workers has just got to be thoroughly reviewed if these workers are going to get their equity out of our society.

No longer can this government or any government tolerate this situation. Hospital workers work in a field where, I think, there is a great sense of compassion for people; and yet they find themselves perpetuated on the lower rung of the economic ladder. Someone is just going to have to come to grips with that; it cannot be allowed to continue in the vein that they have been subject to up to now. I say to the minister, if he does not

feel that the government should revoke unequivocally The Disputes Arbitration Act, then I submit that he is going to have to find a formula where these workers are going to get their equity in this society in terms of economic security, because they are not getting it now. As I said earlier, they are just going to fall further and further behind and that is not justified in the light of what the government has really said.

In the preamble to The Labour Relations Act, reference is made to free collective bargaining, but here is a segment in our society that is denied free collective bargaining. I know all the arguments about the public interest and everything else, but if it is so valid that it is in the public interest, then why are those workers being discriminated against? I charge this government with discrimination against hospital workers, and there is just no justice in the Province of Ontario as long as employees in this field are subject to The Hospital Labour Disputes Arbitration Act and as long as that law is left on the statutes here in the Province of Ontario.

**Mr. Chairman:** Mr. Minister, do you wish to make any comment?

**Hon. Mr. Carton:** Mr. Chairman, firstly I certainly would not want to see this legislation repealed. There are some figures here, and I will go over them very briefly, it will not take a moment, and I think they are somewhat revealing. This is a table comprising the list of collective agreements made during the years 1969 and 1970, and they are averaged out and where there were voluntary agreements—this is in connection with hospitals—where there were voluntary agreements the average per cent increase was 9.7, and where there were arbitration awards, the average was an 11.3 increase. That was in 1969.

In 1970, where they signed voluntary agreements, the average per cent increase was 10.2, and where there were arbitration awards it was 13.5. So I fail to agree with the member in connection with the impartiality or partiality of the arbitrators for one thing.

Another thing that I would like to mention is that I did get a letter this year from the Trenton Memorial Hospital. This came during the first week or two of my taking over this portfolio. As you know, it was the Trenton hospital that was the basis on which the royal commission was held, and the Act that you are objecting to came into force from Bill 41 in 1965.

**Mr. Gisborn:** Is that Act not under the minister's department? The Hospitals Labour Disputes Arbitration Act?

**Hon. Mr. Carton:** Parts of it come, yes, parts of it come through the Ontario Labour Relations Board, too. But in any event, I received this letter from the Trenton Memorial Hospital. As I said, bear in mind this was where the strike took place back in 1963:

Dear Sir:

As you probably know, a strike lasting three months of employees at this hospital in 1963 resulted in a setting up of a provincial royal commission who investigated the matter to arbitrate the dispute and to make general recommendations.

A direct result of the royal commission's subsequent report was the passing of Bill 41 in 1965 which, as I am sure you are aware, makes it unlawful for any hospital employee in Ontario to strike. As far as is known, therefore, this hospital is the only one in the Province of Ontario to have ever suffered a strike of its employees.

Despite a complete change of board of directors and the appointment of a new administrator last year, the labour difficulties nearly 10 years ago, have left this hospital with a somewhat unenviable reputation in the hospital labour relations field. None of the subsequent contracts between the hospital and the Service Employees' International Union in the intervening years has been settled without recourse to arbitration.

It is against this background that I am very pleased to be able to tell you that a new two-year contract, from January 1, 1971, has just been successfully negotiated between the same parties and has been ratified by both the employees and by the hospital's board of directors.

The fact that for the first time agreement has been reached without recourse to arbitration, results from the serious negotiations carried out between the hospital and the Service Employees' International Union. However, a large measure of our success can also be attributed directly to the part played by Mr. H. R. Illing of your department, who acted as conciliation officer at the last committee in March, brought in by the administrator.

**Mr. Pilkey:** I would just like to make a couple of other very short comments. You are talking about 9.7 and 10.2 per cent, and



those sound like pretty significant percentages. But it is not like taking 9.7 or 10.2 per cent of \$20,000. It is a very insignificant wage that they get. So when you take 10 per cent of \$2 an hour you get 20 cents, but when it is \$4 or \$5 an hour you get 50 cents. That is the difference. That is why I just frankly detest those percentage wage increases, because they do not reflect properly on those that are on the lower rung of the economic ladder. I just detest them, frankly, because they do not have significance until you get into the higher wage bracket. That is one thing.

The other thing is, as I understand it, sure you tell me that Trenton hospital has settled without going to arbitration. I am going to tell you that you could probably get the statistics and prove to me that there are more settlements outside of arbitration than there are going through that arbitration process. The reason for that, very frankly, is that they are just getting a little tired of that process, and particularly if there is no retroactivity involved. Some of these workers from the information that I got, lose up to \$500 as a result of the protracted arbitration and no early settlements.

They may as well settle, because they would be further ahead economically to settle for nine per cent as opposed to go into arbitration and getting 10 or 11 per cent over a two-year contract, because then they pick the wages up immediately. But if it is protracted arbitration and negotiation, there is no guarantee that these workers are going to get any retroactivity at all.

So they waive this kind of thing and, on balance, they have come up with the proposition that they have to settle because arbitration is not the answer. I might also tell you that in the statistics you are talking about, going back to 1969, but the statistics that I have here—and obviously this report was in 1967—the turnover of full-time orderlies in the public general hospitals in Ontario was 62.8 per cent, almost 50 per cent more than an actual average of industrial workers right here in the Province of Ontario. In other provinces, where they have established good salary schedules, as I understand it, such as British Columbia, the turnover rate during that same period was about 22 per cent.

I think that this government should also check out other provincial jurisdictions and see what hospital workers are getting, particularly British Columbia and find out why this great turnover in employees. I suspect very strongly, that if they get an offer in

private industry, or in the municipal field in their areas, they will take the job. I still come back to the point that hospital workers are not being treated fairly in this province. They are just not being treated fairly.

You say that you do not want to repeal compulsory arbitration under The Hospital Labour Disputes Arbitration Act. Then I think it is incumbent upon you to draw up a formula that is going to give the workers the kind of economic security they so rightly deserve in this Province of Ontario. As a matter of fact, I want to submit that for hospital workers in Canada, we should be leading the way in the Province of Ontario in terms of economic security for the people in our hospitals. We live in the most affluent province in this whole nation and yet we are not leading the way, as I understand it. I just happen to think for hospital workers we should be. Surely, it costs as much for hospital workers to buy a quart of milk and a loaf of bread, to pay their rent, and to buy clothing for their children, as it costs for municipal workers, or those workers in the private sector of this economy.

If that is a fact, then we ought to be treating them exactly the same. They should not be treated any differently. There are one or two ways. One is that you draw up some kind of formula that is going to guarantee their equity in this society, or, alternatively, you repeal the Act. The latter is what I would suggest. You go to free collective bargaining and, then, I am confident those workers will get their equity in this society the same as other workers. Until you do that, they are going to grind along in second gear and be treated as second-class citizens in this society. I just do not think that the minister can just sit there and say we are not going to repeal it, without providing an alternative to these people that work in this industry.

**Hon. Mr. Carton:** The only comment I want to make is that, when I mentioned the figures, the point I was making was not whether or not it was nine per cent or 12 or 13 per cent of dollars, the point I was making was that where they signed a collective agreement they averaged three or four per cent less than when they went to arbitration. That was my point.

**Mr. Pilkey:** I want to tell the minister that may be a fact, because some of them are just getting sick of going to arbitration in the first place. As I pointed out your two or three per cent on a two-year agreement could be less than what they would have received had



they taken the lower percentage increase right from the very beginning, because there are just a number of cases where it is not fully retroactive. As a result of that, workers are losing hundreds and hundreds of dollars over a period of weeks and some of them up to \$400, \$500 and \$600 during that period.

**Mr. Gisborn:** What do the results show as to their comparable fringe benefits in the hospital results? Is there any research on that?

**Mr. Eberlee:** We published a study earlier this year on that subject. I am afraid that I do not have a copy of it with me.

Could I comment on the question of the impartiality of the people who are appointed to be chairman? When the parties cannot agree on a chairman, the appointment is made by the department. We appoint from the roster of people who are approved by the labour-management arbitration committee, who are approved as being competent and impartial. That commission consists of three representatives from labour and three representatives from management plus Judge Little, so we feel that we can have a pretty good indication from the commission of the impartiality of these persons. Certainly, this is the case in the last couple of years.

**Mr. Gisborn:** The Hospital Labour Disputes Arbitration Act uses the services of your commission?

**Mr. Eberlee:** That is right.

**Mr. De Monte:** Why is it that the settlements are so low then? I mean nine per cent of \$1.75 is not very much. What do the arbitrators look at, I wonder? Certainly I think we are lower than any of the provinces of Canada, except Quebec, am I correct? British Columbia is apparently about—

**Mr. Pilkey:** They are higher than ours, as I understand it. That is the information that I received.

**Hon. Mr. Carton:** What are we talking about exactly? Do you have any figures on this?

**Mr. De Monte:** No; I do not have any figures. Could I have a copy of that?

**Mr. J. R. Kinley (Director of Research):** They were sent out to everyone on the mailing list.

**Mr. De Monte:** Pardon?

**Mr. Kinley:** I say every one of you are on the mailing list.

**Mr. Pilkey:** Let me ask another question of the minister, if I may, Mr. Chairman.

As I understand it when they established a criteria for arbitrators, that task fell on the shoulders of Professor Harry Arthurs and he kind of set up the yardsticks that should be used. Has the government reviewed Arthur's criteria or yardsticks to determine what an arbitrator can do and cannot do in these arbitration cases?

As I read the criteria that he used, on the whole question of wage levels in non-comparable hospitals as an example, in non-hospital occupations, they are not really used at all. It is only those trends in comparable hospitals that may be used. I am not too sure of that, but nevertheless I just do not think that there are all the factors that should be given weight.

**Mr. Eberlee:** The arbitrators are at complete liberty—in fact, there are arbitration boards, three-man boards—they are at complete liberty to come up with whatever wage determination they think is valid in the circumstances. No instructions are given to them. In fact, our records indicate that something like 47 per cent of the awards have been unanimous since 1965. That is the labour rep and the management rep and the chairman are in agreement.

**Mr. Pilkey:** Okay, you say that there is not. Why is there not legislation that lays down some standards and principles and some guidelines for these arbitrators as opposed to just—my guess is the only thing they have to use today is what has happened in earlier arbitration hearings. Obviously those earlier cases are totally inadequate to make any kind of a meaningful judgement. It would appear to me that if all they are using is former decisions and they are getting their guidelines from that source—

**Mr. Eberlee:** Mr. Chairman, an arbitration board could decide that they were going to get \$10 an hour and that would be it.

**Hon. Mr. Carton:** That is the purpose of an arbitration board.

**Mr. Eberlee:** The awards are not refused by anybody and the awards must be implemented.

**Mr. Pilkey:** I know, but surely—

**Hon. Mr. Carton:** Otherwise, they would put them in a computer and push a button.

**Mr. Pilkey:** We are not so naive as not to know that when arbitrators make a decision in terms of wages, as an example, they justify it right in the decision. They could not put down \$10 an hour because they could not justify it.

**Mr. Eberlee:** One of the criticisms is that they do not write up a long enough justification.

**Mr. Pilkey:** Oh, yes they do. They usually make some statement that down at Fort Knox they are getting 10 cents an hour and over at some other place they are getting nine and, "In view of that, our decision is that we will split it and give 9.5."

**Mr. V. M. Singer (Downsview):** Would you like the Treasurer's (Mr. McKeough) guidelines?

**Mr. Pilkey:** No, I do not want his guidelines either. Why are our arbitrators not notified to that effect? That there are no guidelines in effect? That there are no principles that they have got to follow? That each arbitration is decided on its own merits?

**Mr. Eberlee:** That is right. Of course, they all know that and they hold a hearing and each side makes its representations.

**Mr. Pilkey:** How is it they are so damned consistent then?

**Hon. Mr. Carton:** Consistent in what way?

**Mr. Pilkey:** They are consistent in their decision. You know, you could have one in London; another one in Windsor; another one in Ottawa; and you can be damned sure that they will be fairly close. They are pretty consistent. If there are no guidelines that they follow, their actions indicate that there are some. All I am saying is that if there are not, then we ought to know.

**Hon. Mr. Carton:** Mr. Chairman, I think perhaps—I wanted to get the benefit of Mr. Pilkey's persuasive arguments. I think now is the time to tell him I do have it under review and I am hopeful that something will be coming up.

**Mr. Chairman:** Is vote 1003 carried?

**Mr. Gisborn:** Mr. Chairman, there is one area I would like the minister to take into review in this respect. It is the questions that go before the arbitration board. I think I

raised it during the estimates the first year after the first trial. I found that invariably the number of items in dispute covered everything from the most menial, insignificant grievance to the water coolers, to the uniforms and to the laundry used.

This must be a costly and a time-consuming problem when they have to go through all of that. Certainly at some time or other they could say, "Go back and clean these things up and let the board decide on four or five issues—"

**Hon. Mr. Carton:** Major issues.

**Mr. Gisborn:** It would save time.

**Mr. Chairman:** Is vote 1003 carried?

**Mr. De Monte:** I was just wanting to ask a question in connection with —

**Mr. Chairman:** Yes, Mr. De Monte.

**Mr. De Monte:** —the granting of the exception from union security, in connection with religious beliefs. I know some of it is sub judice, Mr. Chairman. What is the decision—I guess you can tell me—of the Labour Relations Board in connection with some of the appeals being taken?

**Hon. Mr. Carton:** No, there is no decision given yet on these, but there will be a decision later this month. One thing I would like to point out; you will recall two or three weeks ago when we were down at the Hamilton district labour council seminar?

**Mr. Pilkey:** Do not tell everything.

**Hon. Mr. Carton:** I will not tell everything. In any event, at that time, I made the statement that there had been only 27 applications for religious objectors' exclusion. I was relatively certain in my mind, but Mr. De Monte and Mr. Pilkey were so adamant that there were hundreds—

**Mr. Pilkey:** There was 100.

**Hon. Mr. Carton:** A hundred. I checked back and I was correct. There are only 31 to date and it was three weeks ago when I said there were 27.

**Mr. Pilkey:** Well, I got mine out of the press. They said there were four cases and that they were going to make a decision that would probably set some guidelines for future decisions, and that there were 100 cases in front of the board.

**Hon. Mr. Carton:** There are 31 applications filed.



**Mr. Chairman:** Is vote 1003 carried?

**Mr. Pilkey:** First of all, when the government introduced Bill 167, they put out a pretty comprehensive press release. One of the things that The Department of Labour said at the time was that this bill was going to improve the certification procedures in collective bargaining. They said it would eliminate strife and that certain changes were made in the legislation to enhance that process and not hinder it.

I want, first of all, to ask the minister, does he believe that the certification procedures are improved as a result of the change in the legislation? What has been the result of improvements in certification procedures in the Province of Ontario since its introduction, since the bill was made a law here in the Province of Ontario?

**Hon. Mr. Carton:** As I said a little earlier, it is too early to tell because as you know this bill came into effect on February 15. It is too early to tell the pattern setting of the new legislation.

I do not have the exact figure of what has been made by way of application; how many have been certified, how many between 35 and 55 and 65, and so on. My understanding of it presently is it would not have made too much difference one way or the other as it now stands. It is too early to tell with three months' application of the legislation whether or not it is going to do what we have proposed that it do.

**Mr. Pilkey:** Let me ask another question then. As the minister knows, it has been historically this way for a good number of years. Two-thirds of the labour force in this province are unorganized and have been unable to achieve justice in the work place.

I want to tell them that if the certification procedures do not assist the unorganized, obviously they have to be amended again. I am wondering, is the minister prepared to take that under consideration? What do they really mean, anyway, when they said they were going to "improve the certification procedures"? Did they really mean that this would mean that there would be greater opportunities to organize the two-thirds that are unorganized in this province? Is that what they really meant when they said that they would "improve it"?

**Hon. Mr. Carton:** I did not say that personally. I will ask Mr. Eberlee if he knows--

**Mr. Pilkey:** No, no, I agree, but whether the former Minister did.

**Mr. Eberlee:** I am not sure the press release used the words "improve the certification procedure." But you know, during the period when representations were being made to us prior to the bringing in of Bill 167, the point was made very strongly by some of the leadership in the trades union movement that a drop of the requirement for getting a vote from 45 to 35 per cent very definitely assists them in organizing the unorganized. That statement was made to us, so one would assume that that might have some beneficial effect.

**Mr. Pilkey:** With great respect it sure was not said—if it was said, it was said verbally—because it sure was not said in the brief that you received from the Ontario Federation of Labour.

**Mr. Eberlee:** No, it was said verbally.

**Mr. Pilkey:** Right, because in their brief to the government during that period they said exactly the opposite, that it would retard organization in the Province of Ontario.

**Mr. Eberlee:** But we were told that if you dropped the 35 per cent, it would mean more votes; it would mean that it would be possible to mount more votes, and we were told that there would be no difficulty in winning those votes.

**Mr. De Monte:** Did they know that there was going to be a 65 per cent on the upper limit?

**Mr. Eberlee:** No.

**Mr. Pilkey:** Anyway, I want to make that point because if we are really serious about improving certification procedures, then it is my view that 65 per cent is going to have to be re-examined and reviewed and obviously it is going to have to be reduced considerably.

The other thing is that, as I understand it, in the new bill, under this accreditation programme, workers in the construction industry are deprived of the right to go back to work—even if the employer wanted to settle they would not have the right to go back to work.

The case that I am trying to make, in any event, was that the government legislates so these workers cannot go back to



work. Yet this government has also disregarded the unions' demand for workers in the industrial areas to eliminate strike-breaking.

I could use the cliché that the minister used just a moment ago, when he said "what is sauce for the goose is sauce for the gander." In this case that applies. You cannot have it on one hand where workers are prevented from going back to work under legislation, but, on the other hand, concerning workers in industrial disputes, there can be strikebreaking in that instance. As I said, what is sauce for the goose is sauce for the gander.

**Mr. Eberlee:** The Act does not prohibit employees from going back to work. The Act prohibits the making of an interim agreement between an individual employee and the union when the accredited employers' association has the bargaining rights for all of those.

**Mr. Pilkey:** I know—

**Mr. Eberlee:** But there is nothing that prohibits individual employees from going to work for the employer during the course of the strike or lockout.

**Mr. Pilkey:** For the employer that he works for?

**Mr. Eberlee:** Yes, that is the point that has been the objection; there is nothing that prohibits that.

**Mr. Pilkey:** Are you talking about 103?

**Mr. Eberlee:** Yes, 103 (3).

**Mr. Pilkey:** But, when my good friend from Dovercourt raised that point the other day, you said that you did not feel that was going to be applicable, anyway.

**Mr. Eberlee:** I do not think so.

**Mr. Pilkey:** Right and so I—

**Mr. Eberlee:** I think that the unions will be able to maintain the discipline of their memberships, not that that will not be a problem.

I have discovered, though, in the last two or three months, that the provincial building trades council has decided that it really favours accreditation. They realize that accreditation means that, when they organize a new employer, that new employer is automatically bound by the existing collective

agreement. They do not have to go out and strike him to go through the process of conciliation.

**Hon. Mr. Carton:** He is automatically brought in, once the collective agreement is signed.

**Mr. De Monte:** There is only one other point, if my friend from Oshawa will permit.

**Mr. Pilkey:** Go ahead.

**Mr. De Monte:** How about when an employer employs non-union workers; he goes out and has a job, and all of a sudden discovers he is a member of an accredited association. This is something that I really never got clear in my mind.

**Mr. Eberlee:** Who employs non-union workers?

**Mr. De Monte:** Suppose an employer who is a member of an accredited association, which has bargaining rights with the union—suppose he suddenly decides to go out and employ non-union workers; he still has the right to do that, has he not?

**Mr. Eberlee:** During a strike?

**Mr. De Monte:** During a strike, yes.

**Mr. Eberlee:** But it is not likely that there will be many such people around, of course.

**Mr. De Monte:** Well, I do not know about that.

**Mr. Eberlee:** It does not happen today. There was really no way to close that particular gap—it is not really a gap—and not have some rather horrendous side effects; that was the problem with the draft legislation.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** I want to get to two points, and I am just going to reiterate one of them. When the government introduced Bill 167, as I recall, the then Minister of Labour (Mr. Bales) said on Monday, June 22, 1970, that it was intended "to help correct an economic imbalance of power." I am quoting from page 4242 of Hansard; that is what he said. But I want to get back to the point that the legislation did not really exhibit any concern for workers in thousands of small plants in the Province of Ontario, where it was and is very difficult at time to organize and achieve satisfactory contracts.

You talk about the imbalance of power on one hand; yet there are thousands of workers in these small plants who are being exploited. The point I really want to make was that this government talks about—

**Hon. Mr. Carton:** Excuse me—on that point, you really cannot compare the construction industry with ordinary industry, can you?

**Mr. Pilkey:** I am just trying to make some kind of an analogy. You said there is an imbalance of power. What I am really saying is, let us assume for a moment that statement is correct. I do not agree with it, but let us assume for a moment you are right.

But in the small plants in this province, if there is an economic imbalance of power, surely it lies with the employer and you have done nothing to bring that kind of power into balance within these small plants. The workers are still being exploited. They are unorganized and, as a matter of fact, I want to submit with great respect, that this government itself is exploiting people or is the vehicle for exploiting people.

You tendered out a number of contracts for cleaning work in this province, and my guess is that those workers are not getting much more, if at all, than the minimum wage.

As a matter of fact, do you know that this government has got a number of people on temporary contracts, and it would be very interesting to know how many you have that have no security whatsoever. It would be very interesting to know how much they are getting in terms of fringe benefits. Their wages are lower than those people in organized jurisdictions.

This government is doing that. When we get an opportunity—

**Mr. Haggerty:** It is one of the biggest employment agencies.

**Mr. Pilkey:** I know; and we are going to talk about that at the right time, but I am just making that observation—

**Hon. Mr. Carton:** Mañana.

**Mr. Eberlee:** With regard to that small plant situation, 54(a) of course, was designed to help with that problem—section 54(a).

**Hon. Mr. Carton:** Where they return to work.

**Mr. Eberlee:** It is already having some impact in that area.

**Hon. Mr. Carton:** That brought up another point.

**Mr. Chairman:** Vote 1003 carried?

**Mr. Pilkey:** No. Is the government taking a look at this whole question of free collective bargaining for security guards? You have denied them any kind of meaningful negotiations, in my view. Agricultural workers have also been denied them. I am going to quote exactly what you said in The Labour Relations Act on that preamble. Here it is. You said:

**Hon. Mr. Carton:** Whereas—

**Mr. Pilkey:** No; you said, "By encouraging the practice and procedures of collective bargaining." Then, how do you rationalize that statement with all these exclusions you have in terms of collective bargaining? The agricultural workers, some professional workers and many civil servants are not organized in a legitimate union, in my view. They are being denied those rights that you are talking about there. You are encouraging what?

As a matter of fact, you are not encouraging it at all. You make some exclusions. Why? Why, as an example, are agricultural workers excluded? What is the rationale for that?

**Hon. Mr. Carton:** I do not know about the agricultural worker, but I will tell you one that I am looking very closely at. It is one where we felt that they were or should be certified and so found. Then the Court of Appeal upset the decision. We are having a very close look at that one—with Cedarvale Tree Services.

**Mr. De Monte:** They are not agricultural workers.

**Mr. Pilkey:** What are you talking about? Like Dale Nurseries and that kind of a thing, is that what you are talking about?

**Mr. Eberlee:** Of course the so-called exclusion of agricultural workers is not really an exclusion. They could still organize, if they were organizable. I think probably the fact is that agriculture is so set up that they are not particularly organizable. They could still form themselves into unions. They could strike at any time.

**Mr. Haggerty:** Oh, come on. Let us take the golf course, for example—



**Mr. Eberlee:** What the exclusion in the Act actually does is it excludes their employers from the protections of the Act and excludes them from certain sections of the Act.

**Mr. Gisborn:** While the member for Oshawa is gathering his thoughts, there is one spot where I think the minister can live up to his preamble and that is, if we agree—and I do not at this point—that any of the leaders in the trade union movement thought the reduction of 45 per cent for application would help, but if he made the certification qualifications 51 per cent after they make application, that 45 per cent—

**Hon. Mr. Carton:** You mean it is on a vote, but you mean the automatic certification?

**Mr. Gisborn:** Sure. You get a card indication. What is the difference?

**Hon. Mr. Carton:** Let us put it this way, and I will ask you a question. If you are organizing a plant and you feel that you have the majority with you why do you not ask for a pre-hearing vote then, because all you have to have is 50 plus one on a pre-hearing vote?

**Mr. Gisborn:** Why do you ask for the vote?

**Hon. Mr. Carton:** Why do you not ask for it?

**Mr. Gisborn:** How long would that take?

**Hon. Mr. Carton:** Not too long—much shorter than your other one.

**Mr. Pilkey:** But it would still give the employer an opportunity to beat you back on that one, and in periods of an economic downturn in the economy it is even more difficult. Workers know that if they lose their job there is no other alternative employment for them. As I pointed out before, the employer has total access to the employed with all his henchmen running around inside the plant. The union usually has one organizer who is out doing it in the evening, very secretly sneaking around trying to get a card signed so that he will not jeopardize that employee's employment in that specific operation.

The rumours start to circulate that they are trying to organize. The employer just goes right straight up in the air. He says, "We have got to stop this. Bring all the foremen

and supervisors in, boys. We have got to stop this." And the word goes out.

As you know, men have been discharged and women have been discharged for organizing the union. Sure, some of them have been reinstated with back pay, but there are others that have been fired and they are in the ditches from Halifax to Vancouver, because of union activity. The employer fires them for some other reason. It is not union activity at all.

I know what they do. They scare people off. I am telling you that the only legitimate, fair way of organizing the unorganized is to have them sign a card, and if they are prepared to pay one dollar, in addition to their signature, surely that is evidence enough that they want to join a union?

If I put my signature to something, surely that is evidence enough and I should not be intimidated by the employer?

**Mr. Chairman:** Have you gathered your thoughts now, Mr. Pilkey?

**Mr. Pilkey:** Right. I want to get back also to this whole question of the exclusion under the Act. Usually the people we have excluded under the Act are the ones who are hardest hit by unemployment, higher cost of living and taxation. You talk about the economic balance, yet the scales are badly weighed against these individuals.

I just think that anyone in the Province of Ontario who wants should participate in free collective bargaining, and I agree with the preamble to The Labour Relations Act that we should encourage it. The only way this can be encouraged is that everyone, irrespective of his occupation, ought to come under The Labour Relations Act and they ought to have the right to organization and free collective bargaining.

**Hon. Mr. Carton:** Doctors and lawyers and surveyors?

**Mr. Pilkey:** Everyone. And I do not think professionals should be excluded from the Act.

**Mr. Haggerty:** Well, doctors are organized now. They have the best professional organization going.

**Mr. E. P. Morningstar (Welland):** Lawyers too.

**Mr. Pilkey:** They have got a better organization than most unions.

Interjections by hon. members.



**Mr. Chairman:** Order, please. Mr. Pilkey.

**Mr. Pilkey:**—if we are really anxious to do something for these people, then I think—

**Mr. Chairman:** Order, please.

**Mr. Pilkey:**—we should eliminate all the exclusions under the Act. And as I said—I really do not understand the government's rationale for excluding them. I just do not understand that at all. I have no idea why you do it, and if there is a rationale for it I would like to hear it.

**Mr. Chairman:** Any comment, Mr. Minister?

**Hon. Mr. Carton:** I do not know of any rationale.

**Mr. Pilkey:** Okay then, I will accept that. The other thing I want to talk about is this whole question of bargaining in good faith. You know, we have legislation that says that workers can organize. Obviously there are some exclusions, but there are workers who can organize and through organization they have an opportunity to get reasonable wages and decent working conditions, but by the same token there are employers who negate the whole spirit and intent of The Labour Relations Act by not bargaining in good faith and I just happen to think that this government has got to intervene in those situations and implement the whole spirit and intent of The Labour Relations Act. Now, where it is blatantly obvious that the employers are not bargaining in good faith, then I think you have got to step in. By the same token, I think that if the unions are not bargaining in good faith, they have to be subject to the same thing.

My experience is that the cases where it has been blatantly obvious are where the employers have set out right from the outset to destroy the union. And usually in a first agreement, but there have been subsequent agreements too where they have sat down and said: "We have got to get rid of the union"—and set set out to do that. Obviously they are not bargaining in good faith. They are in violation of section 12 of The Labour Relations Act, and in those cases I just think that the government should step in and intervene and say, "Just a moment—"

**Mr. Morningstar:** There would not be too many of them, would there?

**Mr. Pilkey:** Well, there are just enough of them to make it difficult in a number of areas

in the Province of Ontario. Obviously, we are talking about a minority but there are enough of them.

**Hon. Mr. Carton:** Well, if this is true, then why does not the other party seek leave to prosecute? The government does not enforce the Act; the government administers it.

**Mr. Pilkey:** Well, you know, that is a very simple answer and a very simple way to get out of your responsibilities. I happen to think that it is the government's legislation as to who says that the parties should bargain in good faith, and when the employers are blatantly in violation of The Labour Relations Act I think it is incumbent upon the government to step in and say, "Just a minute, that is the legislation. You are not acting in good faith. We think that you have got a responsibility in this province—"

**Hon. Mr. Carton:** But we are getting closer and closer to compulsory arbitration if you do that.

**Mr. Pilkey:** No, no. I am suggesting that what the government does is that it insists that they bargain in good faith under the spirit and intent of The Labour Relations Act and that you prosecute if necessary. Never mind leaving it to the union to apply for leave to the Labour Relations Board to prosecute. If it is blatantly obvious, then this government has a responsibility to step in.

We should not be faced with the Proctor-Silex situation, the other situation we had in Peterborough—Tilco—and there is just a great raft of them. North American Plastics—well there was an obvious situation, two years on a—

**Mr. Eberlee:** But the union applied for consent to prosecute in North American Plastics and they got consent from the board to prosecute for failure to bargain in good faith and then they never took the firm to court.

**Mr. Pilkey:** Yes, but what is the end result if you do prosecute and they are convicted?

**Mr. Eberlee:** A \$10,000 fine.

**Mr. Pilkey:** A \$10,000 fine? You will not live long enough to see any court put a \$10,000 fine—and what does \$10,000 mean to North American Plastics? They could pay that out of the change till. It will not mean anything to North American Plastics, \$10,000.

**Mr. Eberlee:** This was one of the major recommendations of Rand report, of course,

that the government should abandon the long-standing policy of the parties themselves enforcing the Act and should move to governmental enforcement of the thing. Labour relations legislation is like a family legislation, you know, or domestic relations legislation, and I cannot imagine the state administering it. You would have so many complaints all the time, about and from both parties, that you would have to have a 1,000-man enforcement department just to deal with these things.

**Mr. A. K. Meen (York East):** That is probably one part of the Rand report that the hon. member for Oshawa agrees with.

**Mr. Pilkey:** It has a nice cover on it anyway—red and white.

I understand that there is to be more legislation in the States and I have been told—without investigating it to ascertain just how it works, but I have been told it works better—that there are guidelines that spell out what they mean by bargaining in good faith. We have nothing here—and we have tested cases. We spent a lot of money in testing the office workers in Dominion Glass some two years ago and it was just a farce. The judge did not know how to determine whether they were bargaining in good faith or not. He had nothing to go by.

And I think what has been the feeling of the trade unionist is to take the section out if it cannot be made workable. Now, if guidelines can be set down saying what you mean by bargaining in good faith—I do not think I could come up with anything, although I am saying that to meet so many times a week or you make counter offers and this sort of thing—

**Mr. Eberlee:** There are a whole series of cases that the Labour Relations Board has decided in which this has been an issue and those cases really define what is meant by bargaining in good faith. The reason they have a different problem in the States—they have many more such cases—is because they do not have compulsory conciliation as we have here in Ontario. Compulsory conciliation tends to minimize tremendously the number of potential cases of not bargaining in good faith.

**Mr. Chairman:** Vote 1003 carried? Will you proceed then, Mr. Pilkey?

**Mr. Pilkey:** Right. Okay. I want to get to the point that was raised a moment ago about that section in The Labour Relations

Act which relates to workers going back to work within a six-month period, and again I want to know if that section of The Labour Relations Act has been applicable in any way since its introduction?

**Hon. Mr. Carton:** Well, not directly. We would not know, quite frankly, because they would be doing it without our knowing in some cases.

**Mr. Eberlee:** We believe that in a situation in western Ontario it may have had some effect.

**Hon. Mr. Carton:** In other words, if they took advantage of the section and were taken back to work then there would be no need for them to come to us. It would only be if they made application to the employer and were denied the right to go back that they would then bring it to our attention, and this has not been done.

**Mr. Gisborn:** That is before the strike is terminated?

**Hon. Mr. Carton:** Yes, six months.

**Mr. Gisborn:** It would be worthwhile if a close watch was taken of those cases to find out what happened in the final outcome.

**Hon. Mr. Carton:** Right.

**Mr. Gisborn:** That is where the proof of the pudding is in that section.

**Hon. Mr. Carton:** Again, you see it is relatively early to know the effect of this section.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** Well I want to get back to our original argument that first of all we are in opposition to this section of The Labour Relations Act, and I think that the minister ought to review it. We think it is an encouragement for workers to desert a strike and in addition to that, it is pressure. It is the pressure point for the workers to give up a strike.

But the real indignity, in my view, in that proposed legislation—assuming that it stays there—is it says that as long as the job continues to exist; so the employer could just rule that job out for that individual employee. Why is not that individual employee given a job back in that organization, or that company, irrespective of whether that job he formerly did existed or not? I do not agree with it at all. I think it is a strike-breaking tactic that can be used.



**Mr. Meen:** Mr. Chairman, on a point of order, I have sat here for 2 hours and 35 minutes and I have yet to hear one mention made of vote 1003 and the figures for dollars that are to be appropriated under it. It seems to me, Mr. Chairman, that we are here debating estimates as an estimates committee. If the hon. member for Oshawa wants to talk about legislation he can do so in his budget speech, he can do so in the House on any number of other occasions; but I respectfully submit, Mr. Chairman, that you are wandering so far off the track, that we are here for estimates, to deal with these estimates, and I respectfully suggest you should bring the hon. members back to the estimates.

**Mr. Morningstar:** I agree with that 100 per cent.

**Mr. Pilkey:** With great respect—

**Mr. Gisborn:** Do you want to move that the chairman be replaced?

**Mr. Pilkey:** With great respect to the member for—is it York West?

**Mr. Meen:** It was York East the last time I looked at it.

**Mr. Pilkey:** Well, wherever it is. We are talking about the Labour Relations Board and about conciliation and mediation services, the arbitration commission.

**Mr. Meen:** I have yet to hear it. All we have been talking about is the legislation. Now, if you want to talk about the board, fine.

**Mr. Gisborn:** Legislation—

**Mr. Meen:** Now, if you want to talk about the board, fine. That seems to me to be quite appropriate to the vote.

**Mr. Pilkey:** The Labour Relations Act comes under the purview of the board.

**Mr. Meen:** But not the enactment of the Act and that is what the hon. member is talking about, Mr. Chairman.

**Mr. Pilkey:** Maybe so, but nevertheless, it is legitimately raised under the Labour Relations Board. If there is some other section in the estimates where he thinks they can be raised, I would hope that the Chairman would point it out and we will discuss them there.

**Mr. Morningstar:** Good for you.

**Mr. Meen:** That is not germane to the estimates.

**Mr. Gisborn:** We do not need as many—

**Mr. Pilkey:** What do you mean they are not germane to the estimates? They sure are.

**Mr. Meen:** It is germane to a budget speech. It is germane to all other kinds of debates, but when we are in estimates, we should be talking about the money to be spent by the department under this vote and the other votes.

**Mr. Chairman:** Mr. Meen, I find it so very difficult to rationalize. In the eight years that I have been here the opposition very seldom ever talks about the sums of money in the votes. I suppose it has been—

**Mr. A. Carruthers (Durham):** They are not worried about the money.

**Mr. Chairman:** —growing into practice that they talk about everything else but. However—

**Mr. Gisborn:** I think Mr. Speaker has ruled that tradition has overcome the rules.

**Mr. Chairman:** In this case, I would ask Mr. Pilkey, of course, to try to relate these matters and to proceed.

**Mr. Pilkey:** With great respect, I am just a neophyte in this Legislature. Since I have been here, this is how the estimates have been conducted and I do not think we are going to change the rules in 1971.

**Hon. Mr. Carton:** Mr. Chairman, I think if I could point out, really, there is nothing they could raise about my estimates in terms of dollars and cents. Some of the points they are raising are quite legitimate and I suspect there is only five more minutes, anyway.

**Mr. I. Haskett (Ottawa South):** Mr. Chairman, at 28 minutes past four the member for Oshawa said he just had one more matter and would be a few moments. That was one hour and 10 minutes ago. I think this is a one-man filibuster.

**Mr. Pilkey:** With great respect, Mr. Chairman, if the hon. member from Ottawa South has something to raise, I yield the floor.

**Mr. Haskett:** I just made the observation.

**Mr. Pilkey:** If anyone else wants the floor, I will yield.



Mr. Chairman: Mr. Pilkey, please proceed.

Mr. Pilkey: Okay. Right. I also want to know the minister's position—let me put it this way—we put the position that collective bargaining should go beyond that there should be a right to free collective bargaining during the life of a collective bargaining agreement, relating particularly to the Freedman report and technological changes that automation may bring about during the life of an agreement.

I am wondering if The Department of Labour has given any thought to providing legislation in this area. While you are collecting your thoughts, let me give you an illustration. Mr. Mackasey, the federal minister, did make a statement about a year and a half ago that they were contemplating providing bringing in federal legislation in the area as a result of the Freedman report. I am wondering if The Department of Labour of the Province of Ontario has given it any consideration?

Mr. Chairman: I think that is a fit and proper question for the estimates, Mr. Pilkey.

Mr. Morningstar: Mr. Chairman,

Mr. Chairman: Because you are asking how the money will be spent in this department.

Mr. Pilkey: You are much brighter than Mr. Meen.

Mr. Meen: That is the first question you have made of these estimates.

Interjections by hon. members.

Mr. Chairman: Would the minister care to answer?

Hon. Mr. Carton: Our answer to that, Mr. Chairman, was the enactment of the termination provisions under The Employment Standards Act, part I. This was our way of making that possible.

Mr. Pilkey: You mean Bill 96?

Hon. Mr. Carton: We are going to be dealing with it in vote 1006.

Mr. Chairman: Mr. Morningstar, you wanted to speak?

Mr. Morningstar: Mr. Chairman, I see your estimates for 1969-1970, for labour

management arbitration commission, was \$25,632, and this year it is \$100,600. Why the increase?

Mr. Chairman: It is \$116,000, Mr. Morningstar. You have to look on the left-hand side.

Mr. Morningstar: Yes. Vote No. 3.

Mr. Eberlee: That first figure was the startup the year. It did not cover—

Mr. Morningstar: Well, \$116,000; that is a little higher still. Why?

Mr. Chairman: Mr. Morningstar, as the deputy minister has pointed out, that was the startup year of this action, this branch of the department, and therefore it was not for a full year.

Hon. Mr. Carton: This is the commission, Mr. Morningstar, setting up the arbitrators for the grievances under the collective agreements. It has only been in process now for about a year and a half.

Mr. Morningstar: How is it working out?

Hon. Mr. Carton: Excellently. We hope.

Mr. Morningstar: Glad to hear that.

Mr. Chairman: Mr. Newman, member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Mr. Chairman, I wanted to ask the minister if he was contemplating setting up an arbitration committee to deal solely with the negotiations of police and fire departments? During the leadership campaign the hon. Attorney General made mention that this was one of the things that was going to be set up. Are you contemplating this?

Hon. Mr. Carton: These do not come under our purview, as you know.

Mr. B. Newman: I thought it did.

Hon. Mr. Carton: No, it does not. But we do if they request. For example, one of the members spoke to me about a month or six weeks ago about a situation. I pointed out to him that if he requested it we would have an arbitrator attend. Notwithstanding that, it does not come under our umbrella.

Mr. B. Newman: Okay, that answers it then.

Mr. Chairman: Mr. Pilkey.

**Mr. Pilkey:** Yes. Just to follow up on this question of arbitration. I want to get to this industrial inquiries commission which I sense is a form of, or could be, the thin edge of compulsory arbitration but—

**Mr. Chairman:** You are reaching on that one.

**Mr. Pilkey:** —I want to ask the question in any event. This industrial inquiries commission that may be set up; the member for Dovercourt raised it. How would these people be selected?

**Hon. Mr. Carton:** It would depend on the situation. It is an ad hoc situation and it would be done by the minister, depending on what matter he was investigating. It has not been used as you know.

**Mr. Pilkey:** Yes, I know. Usually these people are picked from the legal profession, the judiciary of some type, and are not really thoroughly trained in this field at all.

It appears to me that if you are really serious about this, which I do not agree with, but if you are serious about it, are you not going to train people in this kind of work?

**Hon. Mr. Carton:** For example, the member for Dovercourt suggested that we use this section for the purpose of setting up a commission to investigate the reasons why there are plant terminations or closures. That would demand a very sophisticated committee and you would have to relate it to the particular reason for setting up the commission.

Insofar as you were talking about lawyers, I would venture a suggestion that if we had a commission set up and we included lawyers, if there were some one like David Lewis—I think you would agree that he knows something about this topic—or—

**Mr. Pilkey:** That is what I think but—

**Hon. Mr. Carton:** Andy Brewin or—

**Mr. Pilkey:** There are two names, but you are getting a three-man commission.

**Mr. Chairman:** Mr. Pilkey as the third one?

**Mr. Pilkey:** Pardon?

**Mr. Chairman:** Mr. Pilkey, the third one?

**Mr. Pilkey:** No, that is good enough. That will suffice. You can put whoever you want as the other one. But you really have not thought of getting any—

**Hon. Mr. Carton:** No, because it would depend on—Look, there could be 100 reasons why you would set up an industrial inquiry commission—or no reason—depending on the time. Presently there are, to my mind in any event, no particularly valid reasons for setting one up. I do not see anything subject to the point that Mr. De Monte made. It could be given some consideration, but I personally do not see setting up this commission to investigate into a strike. To me it would be a matter that would be looked into.

**Mr. Pilkey:** I see.

**Hon. Mr. Carton:** And I am happy to see, now that it is in force, and effective, and even though they were opposed to it, that Mr. De Monte thinks there might be a surprise for the section. And I am glad that you now think so.

**Mr. Chairman:** Would the purpose, Mr. Minister, be—

**Mr. Pilkey:** I am not too sure.

**Mr. Chairman:** —in the field of the municipal employees? In various fields, especially in relation to the new regional government, where you have all existing contracts, you have new contracts, you have all existing unions partially, where there is amalgamation, would it be useful in this purpose?

**Hon. Mr. Carton:** It would be useful in many purposes, I think, Mr. Chairman, depending on—

**Mr. Gisborn:** Is it not correct that the Minister of Labour would have the power to establish that kind of a committee without it being in any Act?

**Hon. Mr. Carton:** No.

**Mr. Eberlee:** You would have to use the public inquiries, would you not?

**Hon. Mr. Carton:** This section is in the federal Act and it is in five provincial Acts and it has been used. I inquired at the ministers' conference last month, it has been used in two or three cases. Well, we used it in the Freedman, and Mr. Justice Norris—there were two, under the federal Act in which it was utilized. I think it would perform a very valid function, frankly, if they used it properly.

**Mr. Chairman:** Vote 1003 carried?

**Mr. Pilkey:** When the question of non-payment of union dues was raised in the Legislature, it appeared to me that organized

labour did not want it and I am not too sure that any of the management groups were supporting it, either.

**Hon. Mr. Carton:** It is the exception clause you are talking about? The religious—

**Mr. Pilkey:** Yes, right. I want to get to my question. None of them accepted it and it appeared to me that it was being advocated by one group in this province who also advocate European types of unions where there are a dozen unions operating in the same bargaining unit, which is a concept that we have actually opposed to a great degree. In the North American continent, we have really supported the concept of the one-union, one-bargaining-unit proposition, and particularly in the industrial unions.

My question is: Does the minister still support that kind of concept, or does he believe that we ought to go to the European type of unions where there is a multiplicity of unions in a plant?

**Hon. Mr. Carton:** I support the present system. But the point is this, and I think you are giving too much weight to this particular clause, I think that is a fact when I point out that only 31 applications have been made since February 15.

**Mr. Pilkey:** Yes, but you see, these people who advocated that, very frankly—I say this to the minister—that is one step they want. The next step is to encourage that “you could belong to a union of your choice in a specific plant and you make that determination.” I can just see industrial chaos in this province if we come to that kind of concept.

**Mr. Chairman:** I think, Mr. Pilkey, the minister has answered that.

**Hon. Mr. Carton:** We do not want that kind of concept. We do not want industrial chaos. That is my answer to you.

**Mr. Pilkey:** Right.

Vote 1003 agreed to.

On vote 1004:

**Mr. Chairman:** Manpower development programme.

**Mr. B. Newman:** What liaison, Mr. Chairman, is there between the CAAT—the community colleges—and this branch of your department?

**Mr. Eberlee:** The liaison is very close. We are probably the biggest customer of the community colleges. We buy training from the community colleges for the apprentices who are registered with us.

**Mr. B. Newman:** All right. Then I want to bring up this one point that I brought up in the Legislature. I still do not have a good answer for it. Before an individual can take certain skill-training programmes he must have the—

**An hon. member:** Manpower.

**Mr. B. Newman:** —up-grading programme. He must have, in a lot of instances, as much as grade 12.

Now, to get grade 12, if he has never had any secondary education whatsoever, if his education terminated with grade eight or lower, he finds it impossible to get the grade-12 education in the time allotted for it, because each of the four years requires 16 weeks of education. That means 64 weeks in all to get up to and including grade 12. The programme only allows him 52 weeks of up-grading, so he finds himself out off at the end of grade 11 and four weeks of grade 12. Now, he does not qualify for some of your programmes. How can we solve that problem?

**Mr. Eberlee:** It has not really been a problem with our apprenticeship programmes because, in the first place, a person does not enter apprenticeship unless he is 16 years of age and has grade 10, and the two usually go together, with certain exceptions where we can squeeze them in.

There are some trades where the employer or the union insists on grade 12—this is true of the electrical trade generally. But we have a system of what we call progressive achievement tests. That is, somebody comes along who may only have grade eight but the director can enroll him as an apprentice if the director believes he has acquired the equivalent—it is grade 10 or equivalent. He gives him progressive achievement tests and he is able to gauge just what the person's level may be. I think the 52-week thing relates to the fact that the federal payments—

**Mr. B. Newman:** Right.

**Mr. Eberlee:** —under The Federal Occupational Training Act will only allow this to go for 52 weeks. There is some discussion with Ottawa on this subject, as a matter of fact.



**Mr. B. Newman:** This I understand. I am only speaking from practical experience in my own area. I have met with the students who are in the upgrading programme, wanting to get into skill training and are precluded from going into skill training because of this.

**Mr. Morningstar:** They do not have the time, you mean.

**Mr. B. Newman:** They cannot get in. They cannot get the grade-12 education in the upgrading programme because they are cut off after 52 weeks; their benefits terminate. So we are really not helping that individual. The students, by the way, are generally well over the 20s, so they are going into primarily the electrical trades. In fact, it happened to be the electrical trade in the instances I was associated with; now they are precluded from getting in because they cannot finish grade 12. Should there not be some type of accommodation or something made to enable these students to get into this skill training on some certification other than maybe what is provided for by the regulations?

**Mr. Eberlee:** I think our programme is flexible enough, though, that where that did come up we would be able to find a way to prescribe some night school training or something else and still register the guy.

**Mr. Haggerty:** With a threat of a \$1,000 fine.

**Mr. Eberlee:** No, no, that is not it.

**Mr. Morningstar:** Good point.

**Mr. Eberlee:** Perhaps Mr. Davy could clarify this point?

**Mr. W. F. Davy (Industrial Training Branch):** Mr. Chairman, The Occupational Training Act, administered by the federal government, will only permit 52 weeks of training, but that does not preclude The Department of Education from adding additional training if the person concerned qualifies, and I am under the impression that in the colleges this additional training is available.

**Mr. B. Newman:** The only reason I bring it up is because these people have been cut off in the city of Windsor; they want to get into the electrical trades and they cannot because they cannot get grade 12, and their benefits are cut off. These people have to be on some type of benefit programme, because

they cannot afford to be going to school just like that.

There has to be some accommodation between your department and The Department of Education so that these students are not trapped because they cannot get grade 12 and cannot qualify for certain of the skills that the upgrading programme provides them. I am speaking from practical experience, having met with all of the students on this, and I still do not have a satisfactory answer for them.

**Mr. Morningstar:** You are a teacher too.

**Mr. Eberlee:** The problem may go even further because it may be that in Windsor the local of the electricians' union is not taking on any additional apprentices and is not taking on members.

**Mr. B. Newman:** Well, this has not been brought to me. That probably is another problem now.

**Mr. Eberlee:** There are all kinds of factors that would stand in the way but, as I say, our programme is sufficiently flexible that if there was this kind of situation we could probably find a way to register the person but still prescribe some night training.

**Mr. B. Newman:** All right. Would I be within my rights when I am confronted with this problem to turn it over to Mr. Davy? I will be glad to then. I think that will satisfy them.

**Mr. Chairman:** Mr. Haggerty.

**Mr. B. Newman:** I have had co-operation from them right along, though.

**Mr. Morningstar:** I have too.

**Mr. Haggerty:** I want to follow along the same line as the member for Windsor-Walkerville. I have a particular chap from Ridgeway, Ontario, who has been in the—

**Hon. Mr. Carton:** Where is that?

**Mr. Haggerty:** Ridgeway, Ontario, is in the town of Fort Erie in the regional municipality of Niagara, in Welland South. He had been in the field doing home installations for the past 10 or 12 years, and perhaps he did not quite qualify under the grandfather clause under The Apprenticeship Act or something. Anyway, he had a letter from the department that threatened if he continued employment, he would be fined \$1,000, I think it was. This was this person's income; he had to support

a family and everything. What was he to do? This was the only thing he could do. He had grade 8 education, and I think he did get enrolled into your continuing education programme; from what I saw of his marks, they were fair, but that was not satisfactory to your department.

**Mr. Eberlee:** This was in the electrical trade?

**Mr. Haggerty:** This is right. You wanted more from a person, and of course it gets to the stage that a person can only handle so much—his ability is limited perhaps—but I understand from his employer that he is one of the best electricians for house wiring and general maintenance in the area.

**Mr. Eberlee:** Well, sir, what is it, since 1966?

**Mr. Davy:** 1967.

**Mr. Eberlee:** Under the Act it has been necessary to have a certificate of qualification before you can practise the electrical trade in Ontario.

**Mr. Haggerty:** That was 1966; but he was before that.

**Mr. Eberlee:** He apparently did not realize the grandfather clause period was running out and so on. We have had a few of these situations; if you would give us his name, we would look into the situation.

**Mr. Haggerty:** He is back at school, he is trying to better himself, but what I am trying to convey to you, Mr. Minister, through the Chairman, is that I think you should have different categories of electricians—you have it in power engineers.

**Mr. Eberlee:** We do have it in the electrical trade; what we call rural and domestic is

one category, and the other one is the regular commercial-industrial.

**Mr. Haggerty:** This chap perhaps would qualify under it, but you should not hold out this threat of \$1,000 if he did not cease working.

**Mr. Eberlee:** I think you have made your point Mr. Haggerty, and I think if you will give the name and address of this chap to the department, they will look into the matter and see what they can do to assist him. I think you have made your point.

**Mr. Haggerty:** Well, I cannot think of the person's first name, but it is Mr. Everett of Fort Erie, Ontario. He works for Bailey Electric of Ridgeway.

The other point I want to raise, Mr. Chairman, is the matter of the apprenticeship in the Province of Ontario; I feel that there is a little discrepancy in it. Many industries throughout the Province of Ontario have exceptionally good apprenticeship programmes, but they do not qualify under the provincial programme. Now that person can work, say, four years as an apprentice, write his company exams, then work in the plant maybe for four or five years and get laid off, and he is out into a new field. All that certificate he has from a certain plant means nothing, and the point I want to bring to you is I think if we are going to have an apprenticeship programme in the Province of Ontario, every plant in Ontario should meet the requirements under the provincial regulations.

**Mr. Chairman:** It being 6 of the clock the committee should rise. When we proceed later, you will have the floor.

It being 6 o'clock pm., the committee took recess.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Labour

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Monday, June 14, 1971

Evening Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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## LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JUNE 14, 1971

The committee resumed at 8 o'clock p.m.

ESTIMATES, DEPARTMENT OF  
LABOUR  
(continued)

On vote 1004:

Mr. Chairman: Mr. Haggerty.

Mr. R. Haggerty (Welland South): Yes, Mr. Chairman, before the break I think I was talking or getting into the stage of talking about The Department of Labour's identification of a welder. I have a card here; it deals with the issuing of a certificate for an approved welder by The Department of Labour, and I was just wondering how good this certificate is and what its purpose is.

Mr. T. M. Eberlee (Deputy Minister): That certificate is issued under The Boilers and Pressure Vessels Act.

Mr. Haggerty: That is right.

Mr. Eberlee: And it is for the welding done in a particular fabrication establishment for the type of welding required to produce a particular product. It is not transferable from one establishment to another.

Mr. Haggerty: That is right, but it is rather a tough test to proceed with.

Mr. Eberlee: That is right.

Mr. Haggerty: And I think it is far tougher than the Canadian Welders Standards Association, or something. There is one that when you enter a plant—another plant or something like this to pass a test—they choose the company that has another test put out by the Canadian Welding Bureau, I think it is—now that is the title I am looking for—and sometimes this means nothing when you go into the plant.

It also means nothing in some industries. Perhaps in that region and you come up against some union which will say this is not a welder's qualification.

And some unions say: "You have to pass our test." Now this is what I find has taken

place throughout the province. In some particular areas this is an exceptionally good test and I think this should be sufficient for a welder in the Province of Ontario and it should be honoured and respected by all industry.

Mr. Eberlee: Mind you, a welder generally does not need a certificate from us. But if he is welding on vessels that come under The Boilers and Pressure Vessels Act, he must have that particular certificate that qualifies him as a welder, in a sense.

Mr. Haggerty: That is right.

Mr. Eberlee: And this is the point, I say it is a special trade itself. In some cases it is more and more important to a welder to have this certificate than it is for a pipe-fitter in industry. When you come down to it, the welder is the most important person on that job, when it comes to pressure work.

The other matter I want to bring to your—

Mr. R. Gisborn (Hamilton East): Let us get this question clear. Now, I understand that the department issues a certificate in each individual plant?

Mr. Eberlee: That is right. Mind you, this is not under this particular vote; this certificate comes under The Boiler Inspections Act vote which came up earlier. And if a person is going to weld boilers or pressure vessels that come under that Act, he has to be examined and he has to be in possession of this particular certificate, because, of course, from a safety standpoint, the welding is very important.

Mr. Gisborn: I understand that, but your proposition that he has to have a new exam and a new issuance in each different industry—

Mr. Haggerty: That is right.

Mr. Eberlee: Well, if he moved from Company A to Company B, he must once again be examined by one of our boiler inspectors to demonstrate that he knows how to weld on that particular type of vessel, but



he would be able to get the certificate quite quickly. It is just a practical test.

Mr. Gisborn: Yes, it is what they call a performance test.

Mr. Haggerty: But there is a cost involved in it. What does it cost; about \$40 a person for each test? Maybe more than that. Is there not a charge for that?

Mr. Eberlee: I do not think so.

Mr. Haggerty: Yes, there is.

Mr. Eberlee: Mr. Yoneyama would know.

Mr. H. Y. Yoneyama (Safety and Technical Services Division): I thought there was a charge to the company on that from the department.

Mr. Eberlee: Oh, there is a charge to the company—

Mr. Haggerty: Yes.

Mr. Eberlee: —but not to the individual.

Mr. Haggerty: No, no. But still it is a costly item, you know what I mean, when you move from one plant to another plant in the same line of trade.

Mr. Eberlee: Yes.

Mr. Haggerty: It could be costly to him, I mean, you take some place where they have perhaps 15 to 20 welders under this regulation, and it is rather costly to the company at times. And on top of that they have to come in and for other work they have to get the Canadian Welders Society test again which is another stress, pull-type test, and bend test.

I was just wondering if there is not some way you could make them have more uniformity in the regulations?

Mr. Eberlee: It is possible. But because the methods, the techniques and the product vary from one boiler company to another, over the years we have thought the best procedure to guarantee safety, to guarantee the safety of these devices, was to require that a man working for Company A was properly inspected—that he was, from our standpoint, fully competent to do the work for Company A—

Mr. Haggerty: That is right. He can go into another plant and do the work, as far as that goes, as long as he is employed by that same company. But what I was trying

to get through to the minister was that there is a tendency here that a person has to apply almost for three tests, you know—one by your department, one by the company and then one by a union, in a sense to say: "Well, you do not come up to our standards and you are not a qualified welder." Often he is turned away from employment through this.

Mr. Eberlee: Well, it depends on the union. The plumbers' union, of course, will require certain tests but then that is another area of work entirely.

Mr. Haggerty: Well, this is right. My concern is about employment of men in the Province of Ontario and I think it should be made as easy as possible for them to gain employment, not to make it tougher.

Mr. Eberlee: But for a man who is not working on boilers or pressure vessels—and let me emphasize the importance of the safety aspect of these things—a man who is not working on boilers and pressure vessels, who is an ordinary welder and does not fall within the jurisdiction of the plumbing trade, for example, is perfectly free to work as a welder without any test being required or any certificate being required from us.

Mr. Haggerty: Well, the other matter, Mr. Chairman, is, going back to the apprenticeship again, I brought this to the attention of the department here, Mr. Lucas, and this deals with Mr. Albert E. Coppen of 190 Oakwood Street, Port Colborne. This gentleman is presently employed at Stelco Tubes in Welland, as an electrician first-class, and apparently he wanted to apply for a provincial licence and was told he needed more experience. Now he has his grade 12 and additional education, home study courses, and he thought perhaps if at some time he wanted to change his job and work out in the field as his own employer he could continue in that line.

Apparently he could not get a licence from the department. They said he did not have sufficient qualifications. Yet when one applies for the position of electrician in the particular plant, Stelco there in Welland, if you read the list here—and I could go through some of these things here—that no doubt he is qualified as an electrician.

Mr. Gisborn: Mr. Chairman, if this is going to be lengthy, I will have to object that we have passed that and he should take it up with one of the department officers.

**Mr. Eberlee:** Could we perhaps take that case and have a look into the department?

**Mr. Haggerty:** Well, I have the letter here from him which said he has to go back to school. I will just read the point here. The point I am trying to get through is, he must attain more experience in electrical construction through apprenticeship.

Now he has worked as an electrician on an upper laker—a large vessel in the Great Lakes—he has worked in the different plants throughout the area, he has all the qualifications here for a first-class electrician, but your department says that is not enough.

**Mr. Eberlee:** There is a difference between a maintenance electrician in a plant and a person who is working as a construction electrician, and that may be where the difficulty arises.

**Mr. Haggerty:** No, in industry they also install new equipment, new panels, automatic equipment, automatic machines. They install lighting equipment in industry too.

**Mr. Chairman:** Are you trying to make the relationship, Mr. Haggerty, that he is being discriminated against because—

**Mr. Haggerty:** This is right. One of the things is he must go out and get a job in the electrical construction field.

**Mr. Eberlee:** Our apprenticeship programme covers the construction field.

**Mr. Haggerty:** The point I am trying to get through to you is that he must go through another union which apparently has control of it. It is a closed shop; how does he get in there? He has to start all over again and go through the same programme as an apprenticeship again so that he can get his licence to come out and do electrical work outside a plant, if he wants to get into his own business. It seems in a sense that your department is playing into the unions' hands; in other words, they are controlling you. When you get into this a little bit deeper, a union can come back and also tell you that you cannot get into the union, that you are not qualified under their terms—and their terms are directed from Washington, DC.

**Mr. Eberlee:** Actually, we have a similar definition of a construction electrician which we follow. The definition also includes schedules of the training required and he may not—I am only talking hypothetically now, but there is a difference between a con-

struction electrician and a plant maintenance electrician—our compulsory certificate does not cover a plant maintenance electrician.

**Mr. B. Newman** (Windsor-Walkerville): Should you not then have various types of certificates so that one will correspond to the same type of name with possibly a union name?

**Mr. Eberlee:** Sir, our system of certificates for the construction industry is based on the advice of a provincial advisory committee, which consists of representatives of the trade, labour and management, and what we have is what they recommend that we develop. We do not require a certificate in general industry, in manufacturing industry, for a guy working as a maintenance electrician; again, we do not require the certificate there because of the advice of an advisory committee consisting of labour and management people. So that seems to be the way those parties want the thing to be organized.

**Mr. Haggerty:** Yes, those certain parties. This is the point I am trying to get through to you. A person could be involved in industry and serving his apprenticeship as an electrician in industry, and if I had the time here, if I did not have the objection from the member from Hamilton, I could read this into the record—

**Mr. R. F. Ruston** (Essex-Kent): Do not pay any attention to him.

**Mr. Haggerty:** I would show you that he is definitely qualified, but once he loses that employment in industry, he is finished; he cannot go out and pick up a job as an electrician.

**Mr. Eberlee:** Sir, if he were qualified, he would get the certificate. This is why I suggest that perhaps we should look at this specific case to see what the reason might be for this judgement in the branch that he is not qualified.

**Mr. Haggerty:** Well, they told him he had to get into the construction field—

**Mr. Eberlee:** That is right.

**Mr. Haggerty:** —and he said, "I am not going to go back to school again."

**Mr. Eberlee:** The judgement of the branch apparently was that he did not have the qualifications, did not have the experience and so on.



**Mr. Haggerty:** Are they always entitled to write an examination without going to school first?

**Mr. Eberlee:** Yes, if they can demonstrate the period of experience in the trade, then they do write an exam to get the certificate.

**Mr. Haggerty:** They do not have to go to your programme school; they can step right in and write an examination?

**Mr. Eberlee:** That is right.

**Mr. Haggerty:** Apparently this is what this man wants to do and apparently, for some reason, he just cannot seem to get through to the department that he wants to write this examination.

**Mr. Eberlee:** Well, if we could take a look at it—he may not be qualified to write the examination without acquiring the experience.

**Mr. Chairman:** I wonder why.

**Mr. Eberlee:** Why? Because perhaps he does not have the experience.

**Mr. Chairman:** Well, if he can pass the examination after trying it, would he have to have the experience?

**Mr. Eberlee:** The examination is not always the best gauge of whether a man is qualified to be a tradesman.

**Mr. Chairman:** Oh, I can perfectly agree with that.

**Mr. Eberlee:** You can swot the books but not necessarily have all the skills needed.

**Mr. B. Newman:** Why not require both and weight that man. It is really the examination itself.

**Mr. Eberlee:** That is really what we do require, by asking for a period of experience in the trade.

**Mr. Haggerty:** He has been in it 10 or 12 years.

**Mr. Eberlee:** Well, I would like to take a look at the thing, because it seems curious.

**Mr. Chairman:** Mr. Newman.

**Mr. B. Newman:** Mr. Chairman, the department apparently registers apprentices in only 31 trades. Is not the need for perhaps even 10 times that number today? We are getting into a very sophisticated society and even in the electrical trade, as was mentioned

here today, there are so many different branches that perhaps we have got to look at it from a little broader point of view and certificate people for specific trades in a given skill. In Electricity, say, could be broken up into about half a dozen or even a dozen different types of certifications. I do not think 31 is enough.

**Mr. Eberlee:** I think this is what our modular programme is heading toward. It is heading toward a breaking-up of the trades, which is not popular, mind you, with a large segment of the trades. It is heading toward a greater degree of specialization. It is a little difficult in the building trades to bring this about, because both the contractors and the unions—and, after all, the unions are a responsible group whose representations have to be listened to—both of them tend to be quite happy with the status quo. Contractors because their business is organized that way, and unions because their trade jurisdictions are organized that way.

**Mr. Haggerty:** How does a young employee break into such a position as an electrician? He can go to high school, he can get two years of college, but how does he get a job as an electrician after? Your department still says he must serve so many years in apprenticeship with a certain construction company. How does he get into the union after that? He has to get into the union to get employment, and it is pretty hard to break that ice. It is restricted in the sense that they want so many and that is it.

**Mr. Eberlee:** It is restricted to the number of jobs that are available. An apprentice must first get a job. It is a self-regulating sort of training programme and if he cannot get a job, then obviously there is not going to be much prospect for him in the trades. If he gets the job and it is with a union contractor, then of course the union will have some say in whether it will take him in. Whether we like it or not, the unions in the construction field do restrict their memberships. They restrict their memberships because they want to guarantee that there is employment available for them. This is one of the facts of life.

We always face this question: Are you going to tell the electrician's union that it must take an additional 200 people into its membership and share the unemployment, or are you going to allow it to put certain restrictions on the membership?



**Mr. Gisborn:** What is the case if there is an allegation of discrimination in membership in a trade where one is certified? Where does one go? In a hypothetical case—take a certified plumber who has gone through his apprenticeship and applies for a job in the knowledge that there is lots of work and a shortage of men, and he is refused membership—where does he turn to?

**Mr. Eberlee:** One of the amendments to The Labour Relations Act in Bill 167, the fair representation amendments, was designed to ensure that he was not being discriminated against because he was not somebody's nephew or something like that.

**Mr. Gisborn:** If there is, where does he apply?

**Mr. Haggerty:** There is another point in that, you know. They will not let him belong to the union, but they will let him work in the construction field at so much cost per week or something like this. They take so much off for dues each week, but he cannot become a member of the union. The position is there, but they just cannot seem to get into that classification that is required, and I sense that your department seems to be working along with the unions in this thing to restrict it to a certain number.

**Mr. Eberlee:** No, we are busy trying to promote the employment of more and more apprentices and we try to encourage the unions to open their doors and the unions are, generally speaking, quite good about it.

**Mr. Haggerty:** Yes, union officials can stand right outside a shop and almost direct your men, and so certain unions stand up and say "Well, look now, you do not erect this on the field, this is another branch and it comes under that union." And that is wrong, you know.

There are so many things you can get into; this thing where a company will go out and tender in all good faith and get that contract and the minute they step out into the field to do that certain type of work you have a union official say: "This is not your field."

And yet this company has tendered the lowest tender and got that contract and they cannot perform the work because you have got an AFL union sitting back and threatening: "If you do not pull these men off the job we will pull a strike." These men are unionized, too.

**Mr. Eberlee:** We are talking now about jurisdictional disputes—

**Mr. Haggerty:** No, but it is the same thing in a logical field.

**Mr. Eberlee:** —which are dealt with under The Labour Relations Act. We are the only jurisdiction in North America which has an effective system for handling jurisdictional disputes. There are still problems, of course.

**Mr. Haggerty:** I see. But what I am trying to get through to you—There are certain industries in my particular area that deal with mechanical trades. There are electricians, there are welders, there are steamfitters, there are marine fitters and there are millwrights, in a sense, all along with them. And yet they have a problem: when they go out and get this contract to do the installation of this certain work, because they do not happen to belong to an AF of L union, they are told: "That is too bad, Charlie, you are out," and that is about what it is.

**Mr. Eberlee:** Some of the amendments in Bill 167 were also designed to take care of that kind of situation. Even threatening an illegal strike was designed to take care of that type of situation. I think in the long run it will help too.

**Mr. Gisborn:** If you are finished on that one, I would go on to another—

**Mr. Chairman:** Go ahead with another subject.

**Mr. E. P. Morningstar (Welland):** Well, Mr. Chairman—

**Mr. Chairman:** Mr. Gisborn has the floor.

**Mr. Morningstar:** My question has not been fully answered yet.

**Mr. Chairman:** He has been answered half a dozen times on the same subject.

**Mr. Gisborn:** My first question is—

**Mr. Morningstar:** I hope so.

**Mr. Chairman:** Order please. Mr. Gisborn.

**Mr. Gisborn:** The Hamilton office, is that still located in the Scottish Rites Building on King Street or has it moved to a new location?

**Mr. Eberlee:** It is downtown at King and James.

**Mr. Gisborn:** On that point, I just feel that it should get a little more publicity, because the point I get is that nobody knows

where to find the office. When they had it in the Scottish Rites Building it was just like crossing one of your relatives to get in there and get some business done.

**Hon. G. Carton** (Minister of Labour): That was the Scottish Rites Building?

**Mr. Eberlee**: I think we moved out of there about four years ago, maybe. We are hoping to get even better accommodation in the near future.

**Mr. Gisborn**: What has been the result of our on-the-job training programme? Has it accelerated from the original couple of years? What is it costing us? And what is the followup on those employees or workers that are taking the on-the-job training?

**Mr. Eberlee**: Perhaps in a general way we could say that the registration of apprentices is down slightly this year, partly because of economic conditions. The number of training-in-industry programmes, that is non-apprenticeship programmes, is higher, I think, this year than last year.

Our book at page 30 shows that during the past year 349 of these short-term projects were approved, involving 204 firms and 7,346 trainees. The costs are shown in the estimates book. There is a breakdown there. Our training in industry . . . Our input to that latter area that I was speaking about, roughly \$800,000, with a corresponding sum of money from the federal government. It is a partnership.

And for apprenticeship training—for the apprentices' living allowances it is \$1.9 million and for apprentices' tuition it is \$6.4 million, again with another input from the federal government.

**Mr. Gisborn**: The point I am trying to get cleared up is the concern that we felt when we initiated the plan as to whether this was just going to be a subsidy of labour for the industries, or whether it was going to result in retraining in the true sense and lead to permanent employment.

**Mr. Eberlee**: Of course our programme is carried out entirely on the job. Our programme in effect requires persons to be employed. It is a guarantee of employment, whereas other agencies of the government, for example The Department of Education, carries out employment in the classroom, or training in the classroom setting and I suppose in that type of situation there is not always a guarantee that there will be a job

immediately flowing from it. Ours is self-regulating, though, in the sense that there is because the trainees are employed while they are undergoing training.

**Mr. Gisborn**: What do you mean? Do they have to hold them for a certain period of time to qualify for the subsidy or—

**Mr. Eberlee**: Yes.

**Mr. Gisborn**: Is this paid while he is working? If he is laid off for a month and there is no work, is that the end of it?

**Mr. Eberlee**: Our subsidy for short-term training is paid only on a per-graduate basis, so that by that time the person is going to be held.

Our studies indicate that people do remain in employment once they have been trained. The employer after all has quite a heavy investment himself in this training. We are only paying a portion of the costs of the training so there is a great incentive to him to hold the people.

The type of training ranges—

**Mr. Gisborn**: That was the supposition of the programme. What we want to know is, is it panning out that way?

**Mr. Eberlee**: That is our experience, yes.

**Mr. Gisborn**: How do we tell? Do you have any figures, you know, the plants involved? There are not many plants involved. You said, it was mentioned here, 204? Is that for last year?

**Mr. Eberlee**: Yes, that is for the year ending March 31. The figures are roughly the same. Our anticipation for this year is roughly the same. We are budgeting on a similar basis.

Now, we do not follow every trainee from the time he graduates in one of these programmes through to see what happens to him. But we have done enough studies through our research branch over the last three or four years to know that the people do stay. The trained personnel do stay and the cost benefit ratios here are pretty good. We think this is a very sensible—

**Mr. Gisborn**: I would recommend that maybe for next year's estimates we might have a special report on the results or maybe of the last two years' and a projection of what has happened to the trainees. It would not be too tough a job with the amount of firms involved. We should have the names



of the firms so we can make an assessment on this particular industry's behaviour in the province and see what we are getting out of the programme.

**Mr. Eberlee:** We can give you, I think, some copies of some of the previous studies. I think perhaps the research branch has a list of studies which contains one or two that were done. We could certainly do that.

**Mr. Chairman:** Is item 1 carried? Mr. Newman.

**Mr. B. Newman:** I wanted to ask the minister, through you, what happens as a result of the economic downturn when an industry has to release its apprentices. How does that apprentice now get placed in another industry in the same line? Back in my community, the tool and die trades are quite big; the moulding trades. There have been cases where the young lad or the apprentice has been released from his present employer and he has difficulty finding another place.

**Hon. Mr. Carton:** Mr. Davy could, perhaps, answer you.

**Mr. W. F. Davy (Industrial Training Branch):** Mr. Chairman, we do attempt to help the apprentice to get re-established in another firm. We do look after the transfer of contracts from one employer to another. Of course, when you have a downturn in the economy and journeymen are out of employment as well as apprentices, we have to wait until the balance is there before the apprentices can be re-employed.

**Mr. B. Newman:** The apprentice does not lose any of the credits that he has built up, does he?

**Mr. Davy:** None at all.

**Mr. B. Newman:** He continues from where he left off as if he had not been laid off or taken out of the programme for the time being?

**Mr. Davy:** That is right, sir. Moreover, during that period of unemployment, we try to get him into related training in the colleges, so that he will have covered his related training when the employment becomes available. And then he does not have to leave his employment to go to school.

**Mr. Pilkey:** I am sorry, I just want to ask a question.

**Mr. Chairman:** On the same point?

**Mr. Pilkey:** Yes. What happens the other way around—when apprentices are being retained out of ratio to journeymen? Does that situation prevail?

**Mr. Davy:** Not to my knowledge. It is always possible; I do not know—

**Mr. Pilkey:** It is much cheaper to keep the apprentice and lay the journeyman off. You will obviously get inferior work.

**Mr. Eberlee:** The union—

**Mr. Pilkey:** That is if there is a union shop, but only one-third of the workers in this province are organized. The other two-thirds are not.

**Mr. Eberlee:** You do not know of any cases? That is one of the things that our counsellors are attempting to police, to ensure that the ratio of apprentices to journeymen, or the other way round I guess, is being lived up to.

**Mr. Chairman:** Mr. Newman.

**Mr. B. Newman:** Yes, I wanted to bring up the problem of the printer, the apprentice printer. The young lad goes to school; he goes through the whole development of the skill in the local printing department of the school; he does some on-the-job work. In other words, he goes out to an employer for one or two days a week, especially during his senior year in the school. He completes his programme and then he finds there is no employment for him.

He cannot get into an apprenticeship programme at all in the community and apparently there is a surplus of them throughout the province. What does he do then?

**Mr. Eberlee:** This is one area where over the years the union, particularly the ITU, of course, controls the training programme. This has been based on traditional collective agreements with the employers. We have really never had an apprenticeship programme for printers at all because the industry felt it could handle it. There is no doubt about it, there is an over-supply in the trade as technology changes. Perhaps the best advice is that it is not a trade one should go into too lightly.

**Mr. B. Newman:** The school I would have normally worked in back home had to phase out the printing department as a result of the young lads graduating from the school, developing a certain level of skill and finding



no employment in the trade at all. They have tried going outside of the community but with the downturn in the economy, there just are not the jobs around for them.

Would that lad keep his apprenticeship credits five years from now or at some given time in the future if we find a need for printers? Would he be allowed to go back with those credits?

**Mr. Davy:** Yes, Mr. Chairman, where it is our programme he would be able to. If I may say, we do have non-regulated apprenticeship programmes in the graphic arts field; not very many because most of them are organized and run by the union and they do not want government assistance. We have limited involvement there, but anywhere we do have involvement we will always give credits for past experience.

**Mr. B. Newman:** May I ask of the minister if he is considering a journeyman's papers or certification for television repairmen?

**Hon. Mr. Carton:** This is being considered now. As you know, there has been a lot of press on this particular topic. There were certain factors we were interested in, obviously, because of the public pressure that was brought on this particular subject. There are factors that we do have to give consideration to with respect to television operators. For example, if one of them is a specialist in black and white and you bring him in and he does not have any training in colour, then you are doing him out of a job. I mean, there are many aspects to it.

In Toronto, which I think is possibly where most of the publicity emanated, the repairmen themselves are trying to upgrade the standards as far as the local repair people are concerned. This emanated basically from business practices to do with the television people.

Of course, just because you qualify under our particular Act, it does not necessarily mean that you are going to have proper business principles. I think this is what caused a lot of the concern; it was the over-charging and this type of thing.

**Mr. B. Newman:** But where the individual would like to go into business for himself, why should he not be able to get some type of certification from The Department of Labour? He hangs it up in his place of business and whoever goes in there knows he has met certain basic requirements.

**Hon. Mr. Carton:** He can apply for that now on a voluntary basis. There is a voluntary certificate available now.

**Mr. B. Newman:** For television repairmen?

**Hon. Mr. Carton:** Yes.

**Mr. B. Newman:** Is it in other fields, too?

**Hon. Mr. Carton:** Oh yes, we have other fields.

**Mr. B. Newman:** You have a whole series of interrelated fields in which you would give him some type of certification so that the public would know that he has met certain basic standards?

**Hon. Mr. Carton:** Right.

**Mr. B. Newman:** That is good.

**Mr. Chairman:** Mr. Pilkey.

**Mr. C. G. Pilkey (Oshawa):** I want to ask some questions. First of all, what is the government doing in terms of on-the-job training for Canadian Indians?

**Mr. Eberlee:** In our book we say:

During the past year, 16 programmes involving 494 trainees have been implemented for the training of Indians and Métis in marketable skills. In most of these programmes, which range from the harvesting of wild rice to the construction of homes on reservations, the training has been conducted and controlled by the Indians themselves. The time and labour which develops the programmes and shares in the training costs has enjoyed the active co-operation of other provincial agencies in this work.

**Mr. Gisborn:** That is just a subsidy. Surely that is not a training programme for that, is it?

**Mr. Eberlee:** Oh, yes! They are learning skills which are useful and marketable.

**Mr. Pilkey:** What is the experience of the government after these people—are there any trained—let me ask you that question. You said that their skills are marketable. Have there been any trained who then find employment as a result of the training programme?

**Mr. Davy:** Yes, Mr. Chairman. We have many of them who have been trained and many of them are still working. We had a research project a year ago in this particular

area and these programmes have been very successful.

**Mr. Pilkey:** How do you go about encouraging these people to participate in the training programmes? Do they come to you voluntarily or do you go out and look for them?

**Mr. Davy:** Actually what we do is to work with associations such as AMIK, the particular bands themselves, who will seek training assistance from us. In fact, all of these programmes have been eminently successful. This is an opportunity for the Indian to contribute toward his income and there is no subsidy involved as such. There is training support, financial support, but he earns his living and he learns his skill at the same time.

**Mr. Pilkey:** Has this any effect on the unemployment that exists in the Indian communities at all? What proportion is this to the overall unemployment picture in the Indian communities in Ontario?

**Mr. Davy:** Mr. Chairman, it is a drop in the bucket, there is no doubt about it. There is a tremendous need there. It is a start; it is growing, and we hope it will continue to grow so that we will be able to make a reasonable impact.

**Mr. Pilkey:** How many did you say were in the programme now?

**Mr. Davy:** I believe 749 or perhaps—

**Mr. Eberlee:** It is just under 500 here in the last fiscal year. Perhaps when we get to the Human Rights Commission estimates we can get into this, too, because this branch and the Human Rights Commission have been working very closely together.

**Mr. Pilkey:** I appreciate that. The only reason I asked is that I notice in the review of the departments last year they said that with the co-operation of the Indian affairs branch of the federal government, we secured on-the-job training for 66 reservation Indians. You escalated that figure to 700—or 400; I forget what you said—that is a tremendous jump in one year if these figures were correct. Has the programme been escalating to that extent?

**Mr. Davy:** I was not aware of the 66 figure, Mr. Chairman. Certainly the programme has been growing, but I do not believe at that rate. There is more of a steady growth than an escalation such as you mention.

**Mr. Pilkey:** Yes. I am only quoting from the book that was distributed during the

1969-1970 estimates. That was the figure I read there and I was amazed to hear that it had jumped to that degree. I think that—

**Mr. Davy:** I think, Mr. Chairman, that that was for a specific type of programme. That was when they were building the homes on the reservations. Prior to that, these contracts went out to white contractors to come to the reservation and build the homes. The programme that Mr. Pilkey is referring to, I believe, was when the Indians were given the skills and the supervision to build their own homes.

**Mr. Pilkey:** It really does not say that. Okay.

**Mr. Gisborn:** How are the training costs split, federally and provincially?

**Mr. Davy:** The training—

**Mr. Gisborn:** For both—the general and on-the-job industrial training programmes; is it the same split?

**Mr. Davy:** For the training and industry programmes the split is 60-40; 60 federal—actually it is 41-59.

**Mr. Gisborn:** Of what? Of the total cost of that employee's wages?

**Mr. Davy:** Of the financial support of the training programme. We do not say that it is the employee's wages because the instructors and training aids might be involved in this. Of the total cost, for every \$100 the federal government would pay \$60, and the provincial government \$40 approximately.

**Mr. Gisborn:** Can we get any idea—what I am trying to relate is what the employer, who is getting certain work done by a trained employee, contributes to it.

**Mr. Davy:** Yes, Mr. Chairman, the employer always pays at least 50 per cent of the training cost, at least. In many cases it is much, much higher.

**Mr. Gisborn:** That is 50 per cent of the training cost. You have related what the training costs are in the programme—instructors—but then how about the wages of the—

**Mr. Davy:** It includes all of those things you see. It includes wages, instructors' costs and so on. In fact, the costs of this programme are extremely light, in the neighbourhood of \$300 per trainee; that is, government support. The provincial government's share is only 40 per cent of that.



**Mr. Chairman:** Mr. Pilkey?

**Mr. Pilkey:** Right. I notice that in this explanatory material on page 29 you talk about the training of hardcore unemployed as another area of involvement for this branch. Could the minister or someone explain your involvement in regard to the hardcore unemployed? Is there a liaison between The Department of Labour and The Department of Social and Family Services. Just how do you recruit these people?

**Mr. Eberlee:** This is largely experimental at this moment. I think Mr. Davy, perhaps, could answer that.

**Mr. Davy:** Fine, Mr. Chairman. We have carried out a number of experimental projects of this type where people or youngsters—usually it is for the young people; high school dropouts and many with hang-ups with drugs, with the law enforcement people and so on—where an association or a group—a chamber of commerce or some such group—is prepared to take on a training project for these people, we will go in, design a training programme and give financial support to the group that is carrying out this type of training.

We are working with the Youth Employment Service here in Toronto, and have had very good success. The Youth Employment Service, incidentally, was originated by the Rotary Club of Toronto. This programme is supported by Rotary, by the federal government, by the City of Toronto and by the provincial government. We design the training programmes and give financial support to the programmes.

**Mr. Pilkey:** Are you suggesting that if in some area the chamber of commerce wanted to sponsor such a training programme you would, in some way, subsidize the programme financially? Is that what you are saying?

**Mr. Davy:** In part. But we believe that our greatest contribution is setting up the training programme for the sponsoring body because we have training experience, training background, training knowhow, that many of these bodies do not have.

**Mr. Pilkey:** Would this be on-the-job training?

**Mr. Davy:** This would be a combination of classroom plus on-the-job training. We always believe that the type of classroom training for skill training must be supported

by on-the-job training, or reinforced by on-the-job training.

**Mr. Pilkey:** If I follow this report through it says—I did not notice this before—it says: "Training for Disadvantaged Youth." It is working with The Department of Social and Family Services on their work activity projects under The General Welfare Assistance Act. Just where does the Social and Family Services department fit into this scheme?

**Mr. Davy:** We are working, Mr. Chairman, with Social and Family Services on their new programme under—I have forgotten the name of the federal Act. Social and Family Services are getting federal support and we are working with them to set up training programmes. These programmes have not come to fruition as yet.

**Mr. Pilkey:** When do you expect that they will be started?

**Mr. Davy:** I am afraid I cannot give you a date on that because the office of primary interest here is Social and Family Services.

**Mr. Pilkey:** But you are talking about disadvantaged youth here in this report on training for disadvantaged youth. Again, I would like to know just what we are talking about here with disadvantaged youth.

Is this someone who is receiving a benefit through The Social and Family Services Department? Or is it someone who is a dropout from a school or, alternatively, is it someone in high school who is having problems with school work? Just what does that mean—a disadvantaged youth?

**Mr. Davy:** This is a term—disadvantaged and hardcore unemployed—which is used quite regularly. It refers to those people who cannot qualify for the many programmes that are available. We have programmes of all types that are available supposedly to society as a whole, but there is that bottom core of persons who have not sufficient education, or the entry standards, or are shunned by employers because they have a prison record, or they have been on drugs or what have you.

This group is usually referred to as a disadvantaged group, and we have tried to set up programmes to cater to this group as differentiated from the average who have sufficient education and who are stable individuals who can find an entry into normal programmes.



**Mr. Eberlee:** Some of these work activity projects will be akin to children's workshops in a sense, as I understand it.

**Mr. Davy:** Except that they would not overlap because we would not run in competition with the other agencies.

**Mr. Pilkey:** Okay. There is a group of students in the high schools today that I would put in the category of benchwarmers. I just happen to think they are there for something to do. As far as receiving any academic degree, that is out of the question. They are just not going to get it.

But these same students might very well fit into this society through a training course that obviously in the final analysis will train them as journeymen in a specific trade. I think probably that is where they should be as opposed to taking up a seat in a school.

Has The Department of Labour thought of initiating any programmes for these students? Let me also just make one other comment before you respond. I think teachers have difficulty with these students. They know the students are not going to achieve anything really. They may get to grade 11 or 12 and then fade out of the school and that is it. And then when they do leave they are not trained for anything specifically and have a very difficult time fitting themselves in.

Those kids after they have done grade 10 or 11, if they could get into an apprenticeship programme that, as I said, in the final analysis would give them a journeyman status, would be much better off and would make a greater contribution to Canadian society.

I just wonder if The Department of Labour had thought of initiating any programmes in this area and tried to weed them out?

**Mr. Eberlee:** Many of those kids are going on into apprenticeships in the trades. Many of them, of course, are able to take advantage of other types of training available in classrooms under the auspices of The Department of Education, but a good many of them do come into our training-in-industry programmes. That is what they are for really.

**Mr. Pilkey:** Why I say that is that I understand that in Europe this plan works well. And we have got some very highly skilled workmen in Canada from Europe as a result of their apprenticeship programmes.

I sense we are not doing that same kind of job in Ontario.

**Mr. Haggerty:** They go to school until they are 26 before they are trained and obtain employment.

**Mr. Pilkey:** I just do not think we are—and for us to import all these tradesmen from European countries when we have got, in my view, a surplus of students who could be apprenticed if somebody initiated the opportunity for them to participate in a programme.

I just happen to think it needs government initiation. You are not going to wait for those students to come to you. Why could not someone from The Department of Labour through the industrial training branch, go into the high schools each year, talk to the councillors or the teachers, or the principal, and say: "Just a minute, how many of these people would fit into an apprenticeship programme? How many of them are just going to pass out of this school and really will be unskilled in every sense of the word? They will not be skilled in anything."

I just think we would be making a major contribution to Ontario's economic wellbeing if we went in and initiated this kind of thing.

**Mr. Eberlee:** That is precisely what our role is. That is precisely what we do. We see that as our role. We have a staff of 80 counsellors and their primary role is to go around to the schools, to try to interest people in becoming apprentices, and to go to industry to try to drum up opportunities for people to become apprenticed. That is the whole programme.

**Mr. Pilkey:** Let me ask another question—

**Mr. Eberlee:** But I must admit we are working. We are not sure that the traditional European style of apprenticeship is the best answer here in this country. That is why we are working on this modular scheme.

**Mr. Haggerty:** You will not have the duplication in service you do in the high schools and community colleges if you followed the European type of programme. Because when they are 16 when they come out of school, they are adjusted. They already can step into the field, and they know the trade. You can take anyone—a butcher when he goes to school over there—and when he is 16 and is finished he knows his trade. The same thing with a mechanic or any of them.

**Mr. Eberlee:** A young person coming out of grade 12 here, who has taken motor mechanics or something like that or electricity in school is certainly well equipped to step right in.

**Mr. Haggerty:** I think what Mr. Pilkey was getting at is that in our high schools—and I know of places in my area—some of their vocational teaching is to go out and wash cars. That is what they do all day is wash cars, even though we have the automatic car washers, this is what they do.

**Mr. Chairman:** Item 1 carried.

**Mr. Pilkey:** No. You say your counsellors go into the schools.

**Mr. Eberlee:** That is really one of their primary jobs.

**Mr. Pilkey:** All right. After they have done all this recruitment have we got the facilities to absorb all those that indicate they want to be part of an apprenticeship programme?

**Mr. Eberlee:** No, I do not think we do really. But you see we must rely on industry to provide the spaces, because it is after all an on-the-job training programme. We must rely on industry to provide employment for these people. And, of course, we try to urge them to take on an appropriate complement of apprentices but we cannot do that at the expense of qualified journeymen. It is a delicate balancing act.

**Mr. Pilkey:** Mr. Haggerty mentioned that. Are you actually saying it would have made this improvement, but that we are not able to fit all those in who indicate they want to participate in the programme?

**Mr. Eberlee:** No, no.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Pilkey:** Just a moment. What happens to those kids? Do they discontinue? Are those the bench-warmers I am talking about? Do they discontinue school and take up trades and cost the people of this province a lot of money when they could be in some kind of a programme?

**Mr. Eberlee:** To put it euphemistically, they make other occupational decisions, I suppose. They go into other areas of activity where the skills are not required.

**Mr. Pilkey:** Why do all these apprenticeship programmes have to rely on private

industry? Is there no way that the government—

**Mr. Eberlee:** Apprenticeship means learning on the job. That is what it is.

**Mr. Pilkey:** I appreciate that.

**Mr. Eberlee:** So therefore you have to have a job for the guy to go into. We cannot create employment. We cannot create an electrical shop and have guys wiring and unwiring stuff. That is a classroom.

**Mr. Gisborn:** We are told that you are trying though.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Gisborn:** But I think that what we need with on-the-job training is more performance data. I think we are entitled to see what the outcome of the on-the-job training programme is. We should have a list—not a tentative list, or a partial list—of some of the firms involved, so that we can make an assessment ourselves of what is going on.

**Mr. Eberlee:** If you want to turn to the public accounts, for instance, you will find, in the last fiscal year for which the public accounts are available, a listing of those firms to which payments were made for training in industry. We can give you statistics on apprenticeship registrations and completions and the number of active apprentices, the number who attended community colleges under our auspices.

**Mr. Gisborn:** I think that data is pretty clear, but on-the-job training—the in-industry programme—is not clear.

**Mr. Eberlee:** We could certainly supply you with schedules showing the types of occupations in which the training is undertaken.

**Mr. Gisborn:** Probably the public accounts will show us how much each industry got. What it would not show is that that trainee terminated his employment on a certain date.

**Mr. Chairman:** You have covered this before, Mr. Gisborn. Mr. Haggerty.

**Mr. Haggerty:** Yes. The report on the royal commission on the status of women advocates special treatment for women—

**Mr. J. A. Belanger (Prescott and Russell):** Before we go off the topic of on-the-job training may I have a word?

**Mr. Haggerty:** —to overcome anti-female discrimination—

**Mr. Chairman:** You are on the next vote, Mr. Haggerty.

**Mr. Haggerty:** —to allow women to take their place as productive members of our society.

**Mr. Chairman:** You are on the next vote though, Mr. Haggerty.

**Mr. Haggerty:** No, I am not, no. What measures do we have here in the Province of Ontario to ensure equality or equal opportunities for women?

**Mr. Chairman:** That is the next vote, women's bureau—the next item, sir.

**Mr. Haggerty:** The next item? I thought we were still dealing with training here—women's bureau.

**Mr. Chairman:** It is the next vote—the next item.

**Mr. Haggerty:** No, but I am asking about what type of training programmes you have for women.

**An hon. member:** It is coming up in the next part.

**Mr. Eberlee:** We do not discriminate. They can participate in any one of our training programmes.

**Mr. Chairman:** Mr. Belanger.

**Mr. Belanger:** Mr. Chairman, coming back to the on-the-job training, we started a programme in Hawkesbury around December, 1970 and I understand that we have some of these hardcore unemployed that are already in industry and working out very satisfactorily. Do we have more detail on this programme, this particular programme?

**Hon. Mr. Carton:** Hawkesbury?

**Mr. Chairman:** Mr. Davy?

**Mr. Davy:** Yes, we just carried out the one programme in the Hawkesbury area and it did prove to be a very successful one. And these were the hardcore unemployed—the youngsters, 16 to 20 years of age, who were school dropouts, who were on welfare and had not worked for years. It was the Chamber of Commerce and secondary school teachers who formed a body that we worked with to prepare pre-employment training, so that they could be equipped for the jobs

that were set up by the chamber amongst the employers in the area.

Unfortunately, with the downturn in the economy, the number of positions available disappeared and the programme came to a grinding halt. But those people who were placed, to my knowledge have worked out extremely well as a result of the training they got before being placed.

**Mr. Chairman:** Mr. Good.

**Mr. E. R. Good (Waterloo North):** One question on the other matter we were discussing before breaking off. How much is an apprenticeship period diminished by a grade-12 diploma in that particular field?

**Mr. Eberlee:** It would take it down—I should not speak in terms of years—

**Mr. Good:** After.

**Mr. Eberlee:** —I will take it down roughly two years, say, for the electrical trade.

**Mr. Davy:** Actually it is 200 hours. For the electrical trade it is five periods; 200 hours per period for five periods.

**Mr. Eberlee:** Two thousand hours.

**Mr. Davy:** Two thousand, yes, which gives us a—No, wait a minute—200 hours for five periods which gives you 1,000 hours credit.

But this whole system is changed. As you know, the secondary school structure is rapidly changing and we now have many elective subjects and the grade system no longer applies. We have been working with the curriculum section of The Department of Education to work out a formula for credits for educational accomplishments. Only today we came up with what we believe is an answer to this particular problem.

But there will definitely be credits for educational accomplishments which are comparable to the credits that were available under the grade system before.

**Mr. Good:** Do you see more generalization than in the stream of education which would qualify a person in more than one field? Is this what you are—

**Mr. B. Newman:** Multitrade.

**Mr. Good:** Multitrade qualifications?

**Mr. Davy:** Yes, Mr. Chairman. Actually, the educational system is much more flexible



under this new scheme and, as far as preparation for the trades is concerned, much more reliance is placed on the individual who makes his selection of courses whilst going through the secondary school system.

**Mr. Chairman:** Mr. Randall.

**Mr. S. J. Randall (Don Mills):** Mr. Chairman, through you to perhaps the hon. member for Oshawa, I would like to solicit some information with reference to apprenticeship. I wonder how many apprentices General Motors have on the payroll today? Could you tell us that, Mr. Pilkey? Do you know how many they would have?

**Mr. Pilkey:** My guess is they would be down because it is on a ratio basis. I think it is about four or seven to one—to journeymen. It is on a very strict ratio basis and—

**Mr. Randall:** I know it is very restricted in the trades—in plumbing, in steamfitting, in carpentry, and all the rest of those things. I wondered if the reason our technical schools are not so popular is because kids leaving grade 13 just cannot get an apprenticeship job in a plant any more. They have to go into a technical school, otherwise they are dropouts completely.

I just wondered if what we are doing today is eliminating the apprenticeship jobs by having these community colleges where they can learn these trades, as Mr. Haggerty said, before they come out of there. Perhaps this is where they are learning the trades, instead of becoming apprentices like they do in Europe.

I know in Europe, for instance, you go to Philips in Eindhoven. They have a plant there with I think about 2,500 apprentices working there all the time. They go to Philips plants all over the world but you find nothing like that anywhere in Canada and the United States. Maybe the gentleman over here, I do not know his name—at the far mike—can tell us this, but it seems to me that we have replaced the apprenticeship programmes with our community colleges to a great extent. Perhaps the deputy minister here can make a comment on that.

**Mr. B. Newman:** It is supplemented—

**Mr. Randall:** I think we are finding fault with the employers, or maybe the unions, and it is really a matter that we have replaced it with something we think far better. They are being educated academically but they are

also learning the trade, I think, in the community colleges. To me this makes them a better employee when they do find a job with industry.

For instance, the steel industry. I do not know how many people they apprentice in the steel industry today. There was a time, I suppose, when there were a great many there who would not be there today. But there would have been a lot more, I presume, 10 years ago.

Every year there seems to be less opportunity for apprentices, and more opportunity for kids coming out of community colleges who are well educated to drop into these jobs. I think it saves the employer a lot of time and it also saves the union a lot of haggling as to equal rights or equal pay. I think this is one of the difficulties we face today with our young people.

**Mr. Chairman:** If you are not careful you are going to be answering your own question.

**Mr. Randall:** All right, maybe I am, but I am just looking for information because I have had some experience with apprentices in my own factories and I tell you they are hard to come by. If you think you can find apprentices and mix them in with the union fellows on a regular wage you will find it very difficult.

I think today you may as well face the fact that you would like to have apprentices in plants and teach them trades, but there are many other areas where they are getting that skill without having to go through an apprenticeship.

**Mr. Chairman:** Mr. Eberlee.

**Mr. Eberlee:** The apprenticeship is still very much alive in the construction trades and in the motor vehicle trades and in one or two other service areas. It is certainly not prospering in manufacturing industry. I think it is partly because of the way in which they have organized the work. People do not do a complete job any more, so to speak, they do a piece of a skill. This is why we think that this modular approach will perhaps be the answer in general industry.

**Mr. Gisborn:** How else do you expect to assess the term of the on-the-job training programme? When would it cease to be one that is shared cost? When would the employer get a free takeover as the employer of the employee?

**Mr. Eberlee:** Each programme is based on an analysis by our people of the skill content of the occupation that you are going to train the guy into, and we draw up a training schedule and a regular curriculum so to speak, which determines how long the programme should last and there is a definite agreement in advance as to how long it will be and for how long we will subsidize and so forth and then we monitor the thing very carefully to make sure that we are getting value for the money.

**Mr. B. Newman:** Does the training at the community colleges supplant or complement the apprenticeship programme?

**Mr. Eberlee:** It complements the apprenticeship programme. It is the classroom training that is required in the various trades.

**Mr. B. Newman:** It is beyond the classroom when it comes into the automotive and other skills. It is actually physical work in the specific trade.

**Mr. Eberlee:** When I use the word "classroom" I am using it very loosely. I mean the nonwork-setting type of thing.

**Mr. B. Newman:** Oh, I see.

**Mr. Chairman:** Item 1 carried?

**Mr. Pilkey:** No, one last question on linemen. Have they ever been certificated as journeymen?

There was some discussion with your department and I understand that the former Prime Minister (Mr. Roberts) was involved back in 1968 in discussing the setting up an apprenticeship programme for power linemen who look after transmission lines for utilities. As a result of that, meetings were held and as I understand it The Department of Labour, the IBEW and the Canadian Union of Public Employees were all in favour of this, but that—

**Mr. Good:** Hydro was opposed.

**Mr. Pilkey:** —but Hydro opted out, along with municipal utilities that did not want to be involved. Has the government given any thought since that time to setting linemen up as a journeyman classification?

**Mr. Eberlee:** No, not since that time. We set up what we call a steering committee with representation from the unions and from the utilities and from the department and explored this whole question. The utilities decided that they did not want to partici-

pate in a full-fledged apprenticeship programme; they did not want the occupation to become subject to compulsory certification, and, since the employer in that case did not want it, we had to back away from it.

All of our programmes are based on a three-way participation. If the employer is willing and the unions are willing, then we are in business. If one of the parties is not willing then, of course, there is not much we can do.

The utilities preferred to train themselves. Hydro I believe now has a school and the utilities have a school or are co-operating with the Hydro in a school, so they feel they have a satisfactory alternative arrangement.

**Mr. Pilkey:** I understand that some utilities, particularly municipal utilities, have little or no training programme. Where there are training programmes they are widely different and we are not getting uniformly trained journeymen.

It just seems to me that the supply of electrical energy is an essential service, to homes, to schools, to hospitals and what have you. If this needs a trained person and in view of the representations that have been made—and I think quite legitimately—that this should be classified as a certified trade, with the proper apprenticeship programmes, so that we do get certified people in this section of the electrical industry, I am just wondering if it might be in the interest of the province to attempt to revise this whole question and see if we can get some uniformity into the training programmes.

What do these utilities do that have no training programmes at all?

**Mr. Eberlee:** I think there is training available to all the utilities through such organizations as the Electrical Utility Safety Association, which actually runs a school where guys learn how to climb poles and work on poles and all this kind of thing. So there is training available.

Our feeling, quite frankly, was that this was not an area where (a) there was a shortage of skilled people, and where (b) there was a shortage of training knowhow, and we felt we were wiser to devote our resources to other areas where there was a real need.

**Mr. Pilkey:** My information was that if you were going to attract more people in this area and have a higher calibre of apprentices and they knew that in the final



analysis they would become qualified journeymen, as opposed to being uncertified and unrecognized, that there would be more people participate in this field of a higher calibre than there is at the moment. That is my view, but—

**Mr. Eberlee:** I think the unions were anxious for some form of recognition and understandably so. I believe Hydro is now issuing a certificate.

**Mr. Pilkey:** A certificate of qualification?

**Mr. Chairman:** Mr. Good, on this point?

**Mr. Good:** It is one certificate for the complete job. My understanding at the time—and I worked with my people on this—was there was feeling against certification of linemen. A lot of jobs required really nothing more than labour and the other half required qualified, skilled linemen and, of course, the linemen were not prepared to have half their members become labourers and the other half become linemen. I think that was when the talks kind of broke down.

In the matter of certification of linemen, I think there still is the demand on the part of the linemen or a desire on the part of the linemen to be certified as a trade, but not until it is resolved as to whether or not everyone who works at the installation of wires on poles is classified as a lineman. This is what broke down because the utilities people and Hydro felt that half the work would require nothing more than a labourer. I do not know whether it developed beyond that point or not, but this thing seems to have come to a stalemate.

**Mr. Pilkey:** The only thing—I want to make one short comment on this point—was that we say, “You cannot work on a motor vehicle. You cannot work on a motorcycle.” I raised that question with your department not so long ago. They would not let this fellow work on motorcycles until he had apprenticed, and when you say the guy is well qualified, he could repair them, they say, “Well, I know, but it is in the public interest that he be well qualified.”

Here we have a utility that I think is becoming more and more essential in the public interest in this province, where we need a high standard of individuals who can work in this field; yet we say to the fellow who repairs an automobile, “You have got to be qualified. You have got to have a certificate. You can-

not work on that automobile unless you are apprenticing.”

But here we have a resource that has to ensure uninterrupted service during hailstorms or any other kind of storm that might exist and they have to protect the security of the system. Many forms of energy are dependent on the supply of electricity, but we do not set any standard for that. They do not have to be apprenticed and, as I said, their qualifications can be nil, I suppose, other than knowing their job to a point.

But we are not saying to the industry that we think that is sophisticated enough, that we need a fully qualified journeyman to work in that area and that we happen to think that trade should be apprenticed.

**Mr. Eberlee:** But these are two entirely different businesses.

**Mr. Pilkey:** What do you mean they are two different businesses?

**Mr. Eberlee:** The Hydro and the utilities are all public operations. Many of them are public utilities commissions that are elected and have a direct responsibility to the people. They are quite different. You can trust these organizations to do their job in a skilled way. Indeed, we even give them the job of enforcing The Power Commission Act and electrical safety regulations. Whereas there are hundreds of garages spread all over the province, and in order to have some kind of standard, we have got to take this quite different approach. Clearly that is the difference.

**Mr. Gisborn:** To do that, the electrical standards Act—

**Mr. Good:** I do not follow that at all.

**Mr. Pilkey:** I am not buying that. I find the facts of that hard to accept.

**Mr. T. P. Reid (Rainy River):** You are not impressed with that?

**Mr. Chairman:** Mr. Pilkey, do you know of any utility that does not train its men?

**Mr. Pilkey:** Pardon?

**Mr. Chairman:** Do you know of any utility that does not train its men?

**Mr. Pilkey:** Well, my guess is that there are utilities that do not have any training programmes. I will bet what they do is hire somebody and put them out with people who know the work.



**Mr. Chairman:** I doubt it very much.

**Mr. Pilkey:** Well, I doubt whether every utility in the Province of Ontario has got training programmes.

**Mr. Chairman:** Sure they do.

**Mr. Pilkey:** Well, I question that.

**Mr. Chairman:** They all have them available to them.

**Mr. Pilkey:** Well, they may have them available to them—the deputy minister pointed that out.

**Mr. T. P. Reid:** Are there any standards they have to meet before they are trained?

**Mr. Chairman:** Oh, sure. They also have supervision there too.

**Mr. Pilkey:** Oh, yes, sure! Guys working on automobiles have supervision too.

Interjections by hon. members.

**Mr. T. P. Reid:** The bad ones do not last.

**Mr. Good:** The people who make gas connections in the homes, are they certified now?

**An hon. member:** Yes.

**Mr. Good:** As of when?

**Mr. Eberlee:** Oh, for about the last seven or eight years, I guess. Since before we took them over. Gas fitters are subject to a certificate.

**Mr. B. Newman:** That was after the Windsor explosion.

**Mr. Chairman:** Item 1 carried? Carried. Item 2, women's bureau. Mr. Pilkey, do you have a question?

**Mr. Pilkey:** In the women's programmes, in this explanatory material you make reference to maternity leave for employees with one year's service or more while prohibiting dismissal for pregnancy. I want to tell you that I just happen to think the one-year time limit is totally inadequate. Surely, again, if an employer hires a woman and at some point in time she needs maternity leave, I think that should be available to her. I really do not understand this one-year provision that you have in this Act. That is number one.

**Hon. Mr. Carton:** You mean the fact that she has to work for one year before she becomes eligible?

**Mr. Pilkey:** Just as an example, I had a girl call me the other day who feels quite capable of doing the work. The employer is making it so rough for her, my guess is she is going to have to quit. She has been with the employer six months. She is pregnant; there is no question about that, but he—

**Mr. T. P. Reid:** Do you know that from personal or other observations? You sound pretty positive.

**Mr. Randall:** Friend of yours?

**Mr. Pilkey:** In any event, if we are going to protect women as a result of pregnancy, if the legislation is really meaningful, then I think it has to protect them all. I do not understand this one-year provision at all.

**Mr. Randall:** You are not suggesting a woman can get a job tomorrow and become pregnant, then get a year's salary while she is away?

**Mr. Pilkey:** No, no. I did not say that.

**Mr. Randall:** Is that what you mean by the one-year provision?

**Mr. Pilkey:** No, they have got a one-year provision here that you cannot get pregnancy leave until you have had one year's service with the company.

**Mr. Good:** You cannot change jobs after pregnancy.

**Mr. Randall:** What is wrong with that?

**Mr. Pilkey:** All I am saying is that if a girl is hired today and she becomes pregnant tomorrow, then at the end of 7½ months, why should she not get a leave of absence for six weeks before and six weeks after; then she could return to her employment again, after she has delivered a child and has provided adequate care for that child? Why would she have to be employed for one year? That is my question. That is, she gets no salary whatsoever; all she is doing is protecting the equity that she has established in that job.

**Mr. Chairman:** Mr. Minister, would you like to make a comment on the question?

**Hon. Mr. Carton:** Well, I think we had to have a starting point somewhere, Mr. Pilkey, and this was thought to be a good starting point. If you have a small employer and he has five or six girls start in in employment and seven months later, they are all out in maternity leave, it could cause quite an upset.

Mr. Pilkey: Yes, but you made sure of that.

Mr. T. P. Reid: No, not personally—

Mr. Pilkey: Because it does not apply unless the employer has more than 25 employees, so that—

Hon. Mr. Carton: But that includes men employees as well.

Mr. Pilkey: But after he gets 25 employees or more, he is not really a small employer any longer, and the chances of seven of them becoming pregnant at the same time would be—

Mr. Gisborn: That bridge is shot down.

Mr. T. P. Reid: Even with Pilkey around.

Mr. Randall: Does the member for Oshawa want to go to the next question?

Mr. Pilkey: In addition to that, as a matter of fact, I think that figure of 25 builds discrimination into the Act. You have got an Act that talks about discrimination and then you build it right in by talking of 25 people or more; so that if they employ less than 25—

Mr. T. P. Reid: What figure would you suggest?

Mr. Pilkey: I would suggest that a girl in that company, regardless of the numbers—I do not think the numbers have anything to do with it; they can get temporary help—

Mr. T. P. Reid: But surely the employer has an equity in training the girl too.

Mr. Good: —for 12 weeks without a trained employee.

Mr. Pilkey: Well, he is going to be stuck anyway. He is going to have to train somebody. I mean, if she is out; he has got to train somebody. There is no way you can get out of that.

Mr. Gisborn: Unless he has been over-staffed.

Mr. Pilkey: Exactly. There is no way out of that in any event. I think that the federal legislation provides for a longer period of time, does it not? Are you reviewing that?

Mr. Eberlee: They are bidding it up gradually.

Hon. Mr. Carton: They have taken our legislation and made a few little changes to it.

Mr. Eberlee: What they thought was popular.

Mr. Pilkey: Obviously they improved on it.

Mr. Gisborn: Is the minister going to equalize our standards Act with theirs?

Hon. Mr. Carton: In due course I am sure it will surpass theirs, but we are studying it all the time—

Some hon. members: Oh, oh!

Hon. Mr. Carton: This is new legislation. Perhaps Dr. Betcherman would like to comment on this provision and how it is being accepted by the companies and the employees.

Dr. L. R. Betcherman (Woman's Bureau): Mr. Chairman, we seem to be giving very good coverage with the present maternity leave provision, because we have hundreds of calls coming into the women's bureau concerning maternity leaves and very few from women who are ineligible because of the numbers qualification.

In fact those women who call in and who are ineligible for legislation are usually those who fall under federal jurisdiction, and of course they will soon be covered by their own maternity leave.

Mr. Gisborn: Perhaps they should justify their case. Take off the restrictions.

Mr. T. P. Reid: There are so few complaints so what do we need it for?

Mr. Pilkey: We do not need any restrictions at all on the one year—

Mr. Chairman: But that still does not cover the complaint which is the federal jurisdiction, which is just bringing in this Act.

Mr. Pilkey: The federal?

Mr. Chairman: Yes, that is what the good doctor said, that her complaints she is receiving are federal.

Mr. Pilkey: I do not know much about the federal and I am going to be like the Liberals—you know I am not concerned about the federal. I am concerned with what we are doing in the Province of Ontario.

Mr. Good: How about the matter of school teachers, Mr. Chairman? There was concern among school trustees in my own area when the legislation was put through. Does this then give the teachers the right to work until six weeks prior?

Mr. Eberlee: That is correct.

Mr. Good: Has this been resolved with school boards? Did you have any problems with the boards?

Mr. Eberlee: They have made representations but we have advised them we cannot see any reason why the Act should not apply to their teachers as well as to any other female employee and the matter seems to be accepted. It takes getting used to I guess.

Mr. Chairman: Item 2 carried? Carried.

Vote 1004 agreed to.

On vote 1005:

Mr. B. Newman: Mr. Chairman, I want to talk with the minister here concerning the studies undertaken in Windsor on the Italian, the black and the Chinese people about two years ago—

Hon. Mr. Carton: Could you just wait until Dr. Hill gets here please?

Mr. B. Newman: Right.

Mr. Chairman: You can speak now, Mr. Newman.

Mr. B. Newman: I do not think I have to repeat. I think Dr. Hill more than likely heard what I had said. I wanted to know if, as a result of these studies, the department has been able to overcome some of the problems that really were indicated from the study?

Mr. Chairman: Dr. Hill, would you like to answer this?

Dr. D. J. Hill (Ontario Human Rights Commission): I think we have made a serious attempt to get in much closer contact with those groups, identify their problems and indeed handle them, especially their specific cases.

We certainly cannot say that we have cured everything. I think that when that day comes the commission will close down, but we have, I think, through Dr. Helling's report—and that is the function of a report—been of assistance. The function of all of our studies is to get greater co-operation from the community in dealing with the problems.

One of the things that happened after Dr. Helling's report was that we formed a Windsor advisory committee on employment. One of the recommendations from that committee was that we establish a presence on Wy-

lotte Street, or somewhere in the downtown area of Windsor, to work more closely with the Italians, Greeks, Portuguese and West Indians, and we did that.

I think the minister announced a storefront office opening in the very heart of the immigrant area, and these were things that were started and initiated by Dr. Helling and picked up later by the Windsor advisory committee on employment.

Mr. B. Newman: May I ask Dr. Hill then, Mr. Chairman, why it took so long to set up the office if they saw so much merit in the findings of the committee?

Dr. Hill: We had another storefront going in Toronto at College and Major Streets, and I think this was the first storefront operated by a government office anywhere in Canada. We started one several years ago at College and Major. We wanted to find out exactly how successful a storefront operation would be, what the problems were, what the bugs were in a storefront operation and we purposely, I think, waited to get some idea of how successful that operation was, how do you proceed, what kind of facilities you need, how you deal with immigrant workers coming to the offices. That took a little time, and we have gained enough information from the Toronto storefront operation to now, we think, effectively apply that information to the Windsor storefront.

We will be doing this as we set up in Windsor. I think our theory of operation has been to run one operation successfully, get the kinks out and get some understanding of it, and then move on to another one. This I would say is the major reason why we have taken that time to open the one in Windsor.

Mr. B. Newman: I hope the advent of an election was not something that hastened the day that the storefront operation—if it is successful—might come into being.

Mr. Randall: Never.

Mr. B. Newman: No, I do not think, knowing the hon. minister.

Mr. T. P. Reid: Special project.

Mr. Chairman: Mr. Pilkey, do you have a question?

Mr. Pilkey: Yes, I want to make a few comments on this. These storefront operations I think can become very meaningful in terms of co-ordinating many overlapping jurisdictions where people have problems and I think



it is important, you know, the whole—I do not know how to properly name it—but obviously things are developing in this nation of ours and people are looking for answers.

You have tenants' organizations, you have the organizations of the poor, and many organizations are springing up to assist the disadvantaged in our society, and I think the Ontario Human Rights Commission is the group of people who can co-ordinate that kind of an operation to assist all of these organizations whether it be industrial training, or manpower, welfare services, education, workmen's compensation.

Many things in that regard could be looked after by a central office and I sense the frustration of people has been such that if they have a problem in that area they have to go to someone at one location and then they have other problems and must go some place else where it could be centralized. I do not know of a better organization than the Ontario Human Rights Commission to co-ordinate all of the services that relate to human rights.

I am not convinced either that we have really come to grips in a meaningful way with all the acts of discrimination that are always prevalent in this society. I make special reference tonight to the situation of the Canadian Indian in our society. I think that there are many hardships faced by minority groups, but this is one group of people that obviously should concern us. Most of us know that most of the Indian community is living below the poverty line that has been enunciated by the Economic Council of Canada.

I know this was presented to the minister not so long ago. The Hawthorne-Tremblay report in 1967 showed that 82 per cent of employed Canadian Indian males made less than \$3,000 per annum and 62 per cent less than \$2,000 and 23 per cent less than \$1,000. A survey made by the Indian Affairs branch in 1967 estimated that household incomes of Indian people were broken down as follows: 78 per cent had income of less than \$3,000; 54 per cent an income of less than \$2,000; and 28 per cent had an income of less than \$1,000. I do not think that much more needs to be said to demonstrate the grave economic position that the natives of this country find themselves in.

Also that survey pointed out that over 50 per cent of the Indian population is unemployed and that the death rate of Indian pre-school children is three times the national

average and that only six percent of Indian children complete high school as compared to 88 per cent for all of Canada.

I just think it is necessary, and I do not know again of a better organization than the Ontario Human Rights Commission to participate fully in this community in an economic sense. I think it should make its presence felt in a meaningful way as far as these people are concerned, because this whole question of poverty as far as the Canadian Indians are concerned is just going to have to be eliminated to a greater degree than it is being today. Also, I wanted to make a point on providing adequate services and assistance to new Canadians.

**Mr. Chairman:** Perhaps we could have comments on Indian affairs.

**Hon. Mr. Carton:** Yes, Mr. Chairman, before we get on to that aspect of it, I did want to bring to the attention of the committee members, who have mentioned the College Street store, the services that this store performs. I thought you might be interested in the type of questions and the number of people who are seeking assistance at a storefront location—the one on College Street.

These are the statistics for the last fiscal year. There were 9,675 people serviced through that store. Seeking employment were 958. There were 1,799 employment standards queries. There were 3,394 unemployment insurance queries; 170 industrial training; 819 workmen's compensation; 320 seeking instruction on English language; 442 to do with welfare queries; 184 to do with housing; 114 to do with immigration; 84 to do with human rights; 128 to do with legal assistance; 184 to do with training, other than apprenticeships; 160 with income tax and 362 with OHSIP and OHSC. That is the kind of problem that is brought to the storefront. So you see it has covered a myriad of questions.

**Mr. T. P. Reid:** May I ask the minister what conclusions he draws from that? It seems to me with a plethora of government programmes and people employed by the government in one capacity or another, including even the MPPs in a rural riding such as mine, where I am the storefront lawyer without the degree, if I may put it that way, there is obviously something wrong with the system as it now exists. These people are almost walking in off the street because they have nowhere else to

go, or they are walking by and they think that maybe here we can get some help.

What conclusions has the minister drawn from this? Does he suggest, therefore, because of the experience he has had in this one example, that perhaps this programme should be expanded and, whether you call it the Human Rights Commission or the storefront lawyers or ombudsmen, that perhaps there is a greater need for this kind of service than maybe all the plethora of government departments and civil service personnel sitting here in this complex at Queen's Park?

**Hon. Mr. Carton:** First of all, you will notice that many of the queries had to do with federal jurisdiction. In other words, people would come in and want to make some inquiry concerning, as I explained, income tax, immigration, or whatever it may be. Unemployment insurance is one of the larger.

**Mr. T. P. Reid:** It is all part of the same bag.

**Hon. Mr. Carton:** It is all part of the same bag. But this store is situated in a certain part of Toronto that has many recent immigrants. No matter what educational services you may have with respect to telling immigrants when they arrive in Toronto, or Ontario, whatever the case may be—and incidentally we are doing this as you know now through the airports—but no matter what you do, there are still people who are seeking help and do not know where to turn, and this provides that kind of a function.

When you mention the rural members, I might get a personal plug in here. I have had a clinic every Monday night for eight years. I think I have missed maybe seven Monday nights in eight years, summer, winter, fall and spring. Tonight is one of them, yes. I get people coming into my office, for example, on many things that do not relate to provincial politics. As a matter of fact, nine times out of 10 they do not even know who their federal member is, but they happen to know that there is an office with a man there—and I am not so sure they even know who I am. As a matter of fact, I do get letters addressed to Gordon Carton, NDP, instead of Gordon Carton, MPP. But these are the things you run into. I think basically what it means is people—

**An hon. member:** I wondered how you stayed in office.

**Hon. Mr. Carton:** —are seeking help. They do not know where to turn. This provides that service, and I think it is damn good.

**Mr. T. P. Reid:** I suppose all my remarks point up or lead to the question, are you planning on expanding this programme?

**Hon. Mr. Carton:** We have just opened one in Windsor; we are still sanding and painting. I think this answered your question. Yes, we do think they are performing a very necessary function, and—

**Mr. T. P. Reid:** You know two offices are hardly a programme.

**Hon. Mr. Carton:** But it is a start.

**Mr. T. P. Reid:** I must commend the minister. If Stanley Randall had got hold of this, it would have been headlines, had a great build-up and gone on for weeks; it would have been a \$100,000 publicity campaign. Surely—

**Mr. Randall:** He is more modest than I am.

**Hon. Mr. Carton:** I have much more reason to be.

**Mr. Chairman:** That serves, Mr. Reid, the purpose of making people aware of what services are available to them.

**Mr. T. P. Reid:** I am not sure what that comment means, but it is irrelevant as most of yours are, Mr. Chairman. I would like to return to the minister, and say, are you planning in a systemized and organized way—and I imagine that, surely, through Dr. Hill's department you can pinpoint those areas, particularly in the city, I would gather, where the need is greatest for this kind of programme—are you going to undertake any systematic approach to this and expand this programme to open more offices to serve the obvious needs of the people? As a corollary to that, because the minister brought this in, have you had any conversations with your federal counterpart, either in The Department of Labour or in—and I shudder when I say it—Information Canada?

**Hon. Mr. Carton:** Yes, we have had contact with both those parties, but perhaps Dr. Hill would like to comment on the subject of further expansion, as he may or may not see it.

**Dr. Hill:** I do not think I have any additional comments. I think we are waiting to see how we are going to function in Windsor. I do feel that we have been awfully



busy in that Toronto storefront. We are serving in five different languages and we are realizing how heterogeneous this province is and how many different language groups there are. Giving people service in their language has been extremely important to us in Toronto and we are going to try to do the same thing in Windsor. I think all I can say to that is that again we have to see how the thing goes in Windsor. Another city may be another cup of tea.

**Mr. T. P. Reid:** I take it, then, that you are following a different format in Windsor than you have in Toronto, is that correct?

**Dr. Hill:** It will be adapted to the Windsor situation but the basic format will be the same. Dovetailing our work with Ontario Manpower services, Don Hushion's branch.

**Mr. T. P. Reid:** Dr. Hill, may I ask you, do you consider your experience in the Toronto storefront a fairly substantial contribution to the community? Or was it a great success, let me put it that way.

**Dr. Hill:** People measure success in different ways.

**Mr. T. P. Reid:** Well, this government measures it in statistics, and we have heard the statistics. I would say it is a substantial success.

**Dr. Hill:** I would say in terms of helping people that the people who came to that office really felt positively about what we did for them there, yes.

**Mr. T. P. Reid:** Well, that is more than most government programmes and policies do and I would suggest, therefore, to the minister—there is that old cynical man there of the other day, Stanley Randall. No, I have to give the government credit in this particular case. I think this is a tremendous programme. I think it is something that is extremely needed, the need is overwhelming. I think it is a need that is so obvious, and your experience has been so great and the response has been terrific to this programme, that I—

**Hon. Mr. Carton:** I would say it is phenomenal.

**Mr. T. P. Reid:** All right, phenomenal is the word. I do not have Mr. Randall's way with words.

**Mr. Randall:** This guy is going to be asking for more money.

**Mr. T. P. Reid:** Well, for a programme like this I would be willing to cut the publicity budget of Trade and Development by \$500,000 to expand it, a programme like this.

**Mr. Randall:** Cut out the Liberal research fund then.

**Mr. Pilkey:** They would still have a lot left.

**Mr. Chairman:** Is vote 1005 carried?

**Mr. T. P. Reid:** Wait a minute. We want to get on to the Indian question but, really, I am looking for some kind of a commitment from the minister in this regard. I think this is one of the most important things that has come up in any of the estimates so far this year. We have been fumbling and bumbling and practically all of us have been going to sleep but here is something that is vital to the needs of the community and surely it should be expanded.

**Hon. Mr. Carton:** The only reason I am not responding very quickly is that I did not expect this kind of a support and I agree with you it is exciting and that is why I wanted to read the statistics. I think that any time that you can help 10,000 people on a myriad of problems like these, I think that is something.

**Mr. T. P. Reid:** I think it is, too.

**Hon. Mr. Carton:** Quite frankly I am excited about the programme.

**Mr. T. P. Reid:** So we are going to expand it? I take the nod as an affirmative.

**Mr. Chairman:** Mr. Gisborn.

**Mr. Gisborn:** It depends on the acceptance of the individuals that are seeking the information, and that we will not be able to tell, I do not think, ever. I assume they come in and ask these questions—what to do about their OHSIP programme, or a labour standards problem; they are given the advice or directed some place to get satisfaction. So it is going to be a tough thing to follow up, to ascertain.

Naturally if a person asks a question like that and you are able to tell them, they leave, and you get some feeling of satisfaction. I think it is good. But where—as the Provincial Secretary's department has also opened up offices in various areas in Hamilton; they opened up last year the information and health services office and they are paying for it—this provides the same thing, what is the overlapping here?



**Mr. T. P. Reid:** Mr. Chairman—

**Mr. Chairman:** Just wait a minute, Mr. Reid. I will give you the floor when you are entitled to it.

**Mr. T. P. Reid:** Thank you, Mr. Chairman.

**Mr. Eberlee:** We are concerting our activities with the Provincial Secretary (Mr. Yaremko). As a matter of fact, we are under discussion with them and with some of the other departments, working toward the possibility of using these outlets for a much broader government service, and we may be able to do that. The trouble is you make it so broad you may water it down, that is the difficulty.

**Mr. T. P. Reid:** But surely Mr. Gisborn has touched on the very point that makes these things—or has made the one experience the success that it is; and that is that a person comes in and sees another human being sitting across the desk from him. It is not like phoning up OHSIP and OMSIP and someone saying: Well, just a second and I will put you on to Mrs. So-and-So,” and then she transfers your call to Mrs.-So-and-So, and then they say, “I am sorry, that is not my department and I will have to transfer you,” and this kind of thing.

There is a human being, flesh and blood, who is interested in your problem, and surely that is the kind of government society and community we are striving for, and this is what is important about this programme. I can sit here and answer almost any question anybody phones in to me on the telephone after three and a half years but it is the person sitting across there that is genuinely interested in the person you can see. That is important, and surely this is a programme that we should extend.

**Mr. Chairman:** Mr. Ferrier.

**Mr. W. Ferrier (Cochrane South):** Mr. Chairman, on this same point: I suppose this kind of an operation would be something akin to the northern affairs offices in northern Ontario, which are basically information offices and helping to deal with people's problems in terms of the various fields that you outlined in the figures brought before us earlier.

**Mr. Eberlee:** I think we could say that they are different from the northern affairs offices. I think those are basically referral offices whereas ours are staffed with people who do attempt to solve the guy's problem.

For instance, if a guy comes in with an employment standards problem, it may be that a phone call to the employer can sort the question out. It may not be necessary to send the guy out on an inspection.

**Mr. Ferrier:** Is this not what the northern affairs office does? If a man goes in with a complaint on employment standards it is submitted to your department to follow up.

**Mr. Eberlee:** That is one exception to what I was saying; we have a little better arrangement though.

**Mr. Ferrier:** It is the same with compensation problems or welfare problems. Sometimes it is referral but sometimes it is almost the same kind of work as the constituent work of a member. It might be that the whole information programme of the government in moving and expanding this kind of programme could be co-ordinated under one particular department.

**Mr. Eberlee:** As I was saying earlier, that is the subject we are discussing at the present time with our fellow departments.

**Mr. Ferrier:** I think it has got merit.

**Mr. Chairman:** Mr. Carruthers.

**Mr. A. Carruthers (Durham):** As Mr. Gisborn said, it is difficult to gauge the success of this unless you could follow up the individual's solution to his problem. I do not think he has been able to get a solution just by getting advice. Do you go farther than just giving advice or direction? Do you help the individual solve the problem directly? Do you contact the people involved, the departments?

**Hon. Mr. Carton:** Right.

**Mr. Carruthers:** This is interesting because this to me is very important.

**Mr. Chairman:** Is vote 1005 carried?

**Mr. T. P. Reid:** No. On the work with Indians, I would like to say—

**Mr. Pilkey:** Before we get off this—

**Hon. Mr. Carton:** I thought that was your topic.

**Mr. Pilkey:** It was. I want to talk about this before you get off the store front. You indicated that you are going to expand this programme.

**Hon. Mr. Carton:** Again, if it is a good programme, you expand it. But bear in mind it took three years' experience with the one on College Street before we went ahead with the one in Windsor presently. I am sure that in the future, as to success or whatever it may be of—

**Mr. Pilkey:** Surely it is not going to take three years? If we do that for every one of them, we will get Ontario covered in the next—

**Hon. Mr. Carton:** It took me just three months to get the Windsor one off the road.

**Mr. T. P. Reid:** I have great confidence in the minister.

**Mr. Carruthers:** Do you have confidence in the government?

**Mr. Pilkey:** Surely you can get them going much faster than that because you are right. You know, you make the point that you hold a clinic every Monday night. I am confident that if we had a co-ordinated service in the various communities in the Province of Ontario, there may be even more people participate in that service than these clinics that we run as members. Obviously, the members who are not readily available, how do they get to run one of these service clinics? It may be a Saturday morning or something but other than that—

**Mr. T. P. Reid:** In a riding of 17,000 square miles, it is a little difficult.

**Hon. Mr. Carton:** I appreciate that.

**Mr. Pilkey:** Right, it is a little difficult. I think it has to be co-ordinated. I think it should be done through the Ontario Human Rights Commission and The Department of Labour. I would suggest to the minister that he expand more rapidly than waiting three years.

**Mr. Chairman:** They would like to have some answers on the Indians.

**Mr. Pilkey:** Indians, right.

**Hon. Mr. Carton:** On the Indian matters raised by Mr. Pilkey, we had a deputation which met with us—was it about a month ago now, Mr. Eberlee?—comprising the OF of L and many associated organizations. At that time I pointed out what in fact the Ontario Human Rights Commission was doing with respect to the Indian matters and it will not take me five minutes to go over the pro-

gramme. Then, from there, you may be able to elicit more information by questioning Dr. Hill.

It has been the role of the commission to do what it can to speed up the process by which society recognizes the real needs of the Indian population and provides resources, human and material, to meet them. In short, our guideline in working with the Indians is a simple one—listen and identify the most pressing problems facing the Indian and respond to those problems to the limit of our resources without worrying whether or not the matter comes under traditional or formal commission jurisdiction.

Throughout the last five years, we believe we have played an important role in many changes that have been brought about for the Indian people. Some examples of the work are: There was a joint project with the Ontario Human Rights Commission and the employment standards branch. In 1970, this continuing project involved inspection tours in summer tourist resorts in northwestern Ontario. This was for a dual purpose. To obtain specific data regarding employment and economic conditions of the people of the area, and to seek redress for any existing violations of The Employment Standards Act and the code.

The total amount of money collected from the project over a six-week period was approximately \$8,000; 150 Indian people received payments.

An earlier example of this approach resulted in the obtaining of vacation pay owing to 142 Indian employees, of \$1,143 collected from three firms. This phase of the project also resulted in important new regulations being applied to contractors and subcontractors employing Indian people to eliminate abuses which had existed as a result of middlemen acting as employment agents for the Indian population. In 1971, the two branches are continuing to work together and are concentrating upon the problems faced by Indians working as guides in the tourist industry.

On Indian-police relations, during the period 1966 to 1969, field visits by commissioned officers uncovered many hitherto unexpressed complaints against police agencies and courts by the Indian people. Through the co-operation of the Union of Ontario Indians and the Ontario Provincial Police and many local Indian bands, an



experimental project was set up in 1970 to establish a liaison committee to develop new lines of communication between the police and the Indians and rectify outstanding problems.

This project, which has received the official approval of the Indian organizations and OPP senior officials, was preceded by an informal committee which was established in Thunder Bay in 1968 and which served as a model for the present committee. The committee has held three hearings on different reserves in the Algoma district in the last six months and will meet again in June on Manitoulin Island. An invitation has been received from Indian communities in the Lake Nipigon area to set up a similar committee as soon as possible for their region.

Indian employment project: Thunder Bay's Ojibway-speaking officer has launched an Indian employment project which involves gathering information regarding employment opportunities in the vicinity of Indian communities and then bringing together many applicants and employers. Six jobs have been obtained in this way and there is a promise of 40 more. In addition, one municipal police department and the OPP have asked the commission to inform the Indian community that employment is open and available for candidates for constable jobs and as translators.

It is expected that this project will provide important data for expanded collective employment programmes in the north. Our programme has been strengthened in the past here with the addition of an Ojibway-speaking officer to the staff and the commission is hopeful that it will soon be in a position to add a Cree-speaking officer to better serve the needs of that segment of the Indian population.

**Mr. Gisborn:** Is this not again, Mr. Chairman, almost similar to the response we get from the Provincial Secretary as to his interest in the Indian community?

**Mr. T. P. Reid:** That is a dirty thing to say.

**Hon. Mr. Carton:** Would you like to comment on that, Dr. Hill?

**Dr. Hill:** I can just comment on the thing that the minister was stressing. The thing the commission is trying to do is to act as catalytic agent in the north; not resting strictly on jurisdiction, but using our good

offices and, indeed, operating under section 8 of The Ontario Human Rights Code to get things for the Indians that have previously been denied to them; working directly with our own branches and employment standards; working with school officials; working, indeed, with the police.

In fact, we are going to employers who have government contracts and we are seeking work for Indians, place by place. It is an exacting job, but this is the kind of initiatory, catalytic role that we have been playing and are playing throughout north-western Ontario particularly, because we think the need is greatest there.

I think our role is different from that of the Provincial Secretary's office in that we handle complaints against the statutes. That is the critical difference. We are handling complaints in employment; complaints involving housing; complaints involving public accommodation. We are holding boards of inquiry into complaints and I think we have that jurisdiction which primarily differentiates our work. We dovetail educationally, but our statutory authority is very, very definite. I think that might answer the question.

**Mr. Gisborn:** Yes, Mr. Chairman. I appreciate and agree wholeheartedly with what has been said, and I think the programme deserves a lot of commendation. I am only sorry that it did not start some years ago. But it generates some of the complaints made by members in the Legislature of the existing conditions and attempted answers by the Provincial Secretary.

Indeed, it was the Provincial Secretary originally when members were trying to get some of the inequities and legal problems cleared up with the Indian population. I think we have now hit the nail on the head and we are starting to get at the root of the problem in the proper direct manner.

**Mr. Chairman:** Mr. Carruthers.

**Mr. Carruthers:** Do you cut across the federal-provincial responsibilities here? You mentioned at the start of the report that regardless of whether the jurisdiction—

**Hon. Mr. Carton:** For instance, we do not try to stick just to the jurisdictional interpretations. If we can help the Indians, basically, this is what we are trying to do.

**Mr. Carruthers:** Is there an agreement between your department and the federal department in this regard?



Hon. Mr. Carton: We do have—

Mr. Chairman: Mr. Good.

Mr. Good: I wanted to ask some questions regarding the incidence of complaints to the Human Rights Commission regarding the renting of accommodation.

Mr. Chairman: Mr. Good, I wonder if we could complete with the Indian problem first.

Mr. Good: Oh, I am sorry.

Mr. Chairman: Mr. Reid, on the Indians.

Mr. T. P. Reid: I would just like to ask, as a matter of interest more than anything else, of Dr Hill: How many complaints he has had by—I have to be careful of my phrasing here—how many complaints have you handled that, in actuality, were not complaints at all, or there was no foundation for them, from Indian people in northwestern Ontario particularly?

Dr. Hill: I cannot give you the exact figure off the top of my head but I will say that, as in all groups, we have a number of complaints we have dismissed because they have been without cause; where the allegations were not substantiated and this cuts across all groups. I have not got the exact number that we have dismissed that were formally filed with the commission but I can get that.

Mr. T. P. Reid: Well, I would just like to make a point. I know, from my own personal experience, coming from northwestern Ontario that, as you say, Dr. Hill, in any group or any cross-section of people, you have certain people whose chief aim in life seems to be to cause disturbances of one kind or another which reflect no credit on their own people or on the community at large. And I am aware of a certain number of people, small, but who make a great deal of noise, who caused a great deal of trouble in northwestern Ontario in particular, who have made a great many charges and, you know, there is no foundation for them at all—I see you are smiling; I wonder if you are thinking of the same people as I am?

Dr. Hill: I can respond to that, if the Chairman would like me to.

Mr. Chairman: Yes, do so, Dr. Hill.

Dr. Hill: Our philosophy has been to meet such charges head-on, because, generally, once met, if they have substance they will stand up and if they do not they will just fly away.

Mr. T. P. Reid: Well, I am glad to hear that. I just wanted to make that point.

I have just one other question I would like to put: The member from Oshawa read off a great ream of statistics that we have heard ad nauseam time and time again. I would just like to ask what the regional statistics are, really. We mentioned work-force deaths, complaints and so on; can you give me some idea of where the complaints, the lack of job opportunities, the allegations of misconduct and so on come from? Can you pinpoint the regions in Ontario?

Dr. Hill: I can say, that you will get—and this is true no matter what, in any city—in urban centres your complaint rates are higher. In any urban centre where you have—

Mr. T. P. Reid: Because there are more people.

Dr. Hill: Yes, because there are more people. So that, therefore—

Mr. T. P. Reid: More affluent.

Dr Hill: —we have more complaints in Toronto; that is our heaviest complaint centre. Well, there are over two million people in Toronto. We have them in Windsor; we have them in Ottawa; we have them in Thunder Bay—any urban centre. And, on that basis, we have not been able to depict one centre as better or worse than another. If it is mixed up and if there are different races and different religions, we are going to get complaints; but they are urban-oriented for the most part, so that the urban centres would be the places where most of the action is.

Mr. T. P. Reid: Well, would you draw the conclusion from that, above and beyond the fact that you are more accessible in the urban areas—

Dr. Hill: True.

Mr. T. P. Reid: —that you are dealing with, let us say, a better educated, more aware or more sophisticated person who is aware that you people actually exist?

**Mr. Chairman:** Mr. Reid, when I gave you the floor, I gave it to you for matters of concern on the Indians.

**Mr. T. P. Reid:** Well, I am talking, primarily, about Indians, but I will have one more question—

**Mr. Chairman:** But the floor previously belonged to Mr. Pilkey and we had got off his questions—

**Mr. T. P. Reid:** I do not see him jumping up and down—

**Mr. Chairman:** But you can proceed with this one—

**Mr. T. P. Reid:** —Mr. Chairman, trying to get the floor back. If he wants I will give it to him.

**Mr. Chairman:** No, I am just saying, he previously had the floor. I allowed others to enter into the discussion and, really, in matters—

**Mr. T. P. Reid:** You are not much improvement over our friend, Bernt Gilbertson.

**Mr. E. W. Sopha (Sudbury):** You spend a lot of time arguing about who has the floor. I came down here because I want to raise a matter of deep and anxious concern to myself about human rights—I do not know whether it has been raised or not—and that is the Bell decision, and I would like to have the opportunity.

**Mr. Chairman:** Well, I think, Mr. Sopha, we are on this subject matter—Mr. Pilkey did have the floor.

**Mr. T. P. Reid:** I have one question.

**Mr. Sopha:** I will take my turn but I do not want to spend all night arguing about who has the floor.

**Mr. T. P. Reid:** I have one question and I will turn the floor over to my friend and colleague from Sudbury.

**Mr. Chairman:** Very well.

**Mr. T. P. Reid:** Dr. Hill, how many people do you have full-time, actively working for the commission in northwestern Ontario?

**Dr. Hill:** In northwestern Ontario we have four.

**Mr. T. P. Reid:** One in the Lakehead.

**Dr. Hill:** We have four whose home base is in the Lakehead but they fan out; one

stays there but the others stay on the road in—

**Mr. T. P. Reid:** Well, they may fan out all over. One more question—

**Dr. Hill:** Well, no. One in Sudbury, one going into Kenora now, and two in the Lakehead who fan out in northwestern Ontario. We have a person going into Kenora now, one in Sudbury and two in the Lakehead.

**Mr. T. P. Reid:** That is three for northwestern Ontario.

**Dr. Hill:** Four.

**Mr. T. P. Reid:** One in Sudbury is not northwestern Ontario.

**Dr. Hill:** Well okay, I am sorry. But they chase him around quite a bit. He is based for a great part of his time in Thunder Bay, and he is also hopping back and forth.

**Mr. T. P. Reid:** May I suggest that that is not sufficient.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** Yes, there has been some representation made to the Minister of Labour on Indian Affairs, and one of the points that was asked of the minister—and I wanted to know how he would respond to this—was that the government undertake immediately an inquiry into the administration of justice as it affects people of Indian origin in Ontario.

There have been a number of reports about the administration of justice as it affects Indians in Ontario and it appears there is a double standard—one for the Indians and one for the rest of the community.

**Mr. Chairman:** Can you relate this to The Department of Labour?

**Mr. Pilkey:** No, not to The Department of Labour, to the Ontario Human Rights Commission. I want to know if they have made any inquiry into this discriminatory practice, alleged discriminatory practice—let me put it that way?

**Mr. Chairman:** Dr. Hill.

**Dr. Hill:** Well, all I can say is that one of our functions has been indeed to assist Indians who have had difficulty with law enforcement officials. We have had many instances—there is no point in denying this—where we have had to obtain legal assistance, legal aid and other assistance for Indians in



terms of getting justice, and we have to refer cases to legal aid and to other departments to get assistance here.

There is not much I can say other than the fact that we have and do assist them if they have difficulties in legal matters. One of the quick responses we have been able to get lately is by referring them to the Union of Ontario Indians, because they now have and are retaining counsel and lawyers to help Indians get remedies where they have had difficulties in courts.

But we have been working and a fair amount of our caseload has been dealing with Indians with their trouble with law enforcement agents, yes.

**Mr. Eberlee:** Could I supplement that answer by adding that of course we have tried to attack the root of the problem by establishing or sponsoring these joint committees—OPP and law enforcement agencies with Indian bands in the north—and we think that this type of approach where they can discuss their problems directly as they come up will probably be the long-range answer.

**Dr. Hill:** There are two such committees which have been established with, for example, the OPP, the representatives from the reserve Indians in the area, the Algoma district for example, and the Human Rights Commission.

There they are hearing complaints and grievances together and are trying to work out their differences together, and this is the first example, we think, where the Indians, the OPP, and the Human Rights Commission are sitting down together to hear problems relating to the police.

Again this is very new and is very sensitive, but we think we are making great headway there.

**Mr. Pilkey:** Is it your opinion that the Indians have been treated somewhat differently in terms of administration of justice in the Province of Ontario? And as a result of that you are putting these committees together to see if that problem can be rectified? Is that a fair statement?

**Mr. Eberlee:** Complaints have been brought to our attention, yes.

**Mr. Chairman:** Mr. Good.

**Mr. Good:** I wanted to ask a question about the instances of complaints to the human rights commission regarding the discrimination reported in rental of accommo-

dation. You have an office established in the twin cities on a full-time basis or several days a week—a full-time basis now. Personally, I feel that while we cannot legislate against prejudice we have in fact legislated against race, colour, creed, ancestry and place of origin, as far as discrimination for the rental of accommodation.

In our community, I would say in the last 10 years, there has been a great influx of people from all over the world. We have had a considerable number of complaints regarding discrimination for rental of accommodation by people. This, I suppose, has developed into the establishment of an office in our area, but I would think that people are gradually getting used to having these people in our community and I think that time has probably done as much as anything else in reducing the number of complaints.

I am wondering if there are any statistics as to complaints on rental accommodation in the twin-city area, and secondly, has any thought been given to broadening the scope of basis for discrimination beyond colour, creed, ancestry and place of origin, to include other things for which people discriminate—I think personal appearance?

People are getting used to different appearances now of people which they were not a year or two ago—long hair and things like that, which I think people do discriminate against when it comes to renting, and you can tell a person, "I do not like the colour of your eyes so I will not rent you an apartment," but you cannot say, "I do not like the fact that you came from New York and I will not rent you an apartment."

What are the practices of recent years in this regard?

**Mr. Chairman:** Do you want to comment, Mr. Minister?

**Hon. Mr. Carton:** I know of the breakdown of the complaints—now you are talking formal complaints that would have been made from your regional office?

**Mr. Good:** Yes. The office has been there just a short time.

**Mr. Eberlee:** Right. They are not numerous in that area. The accommodation and housing complaints are not numerous at present.

**Mr. Chairman:** Mr. Sopha then.

**Hon. Mr. Carton:** Before Mr. Sopha speaks, I agree with you completely. If you want to give your speech in any event, I think I know your feelings.



**Mr. Sopha:** I would like to ask, Mr. Chairman, has the Bell decision been discussed at all in these estimates?

**Hon. Mr. Carton:** No.

**Mr. Sopha:** That surprises me, because it is the most important thing that has happened in the field of human rights since the adoption of the code. We suffered, all 117 of us, a knockout blow in the Supreme Court of Canada when they handed down their decision. The question how soon do we repair our fortunes and get ourselves up off the canvas and amend that legislation so as to make it clear to the courts that we mean what we say?

The way the lawyers talk—you know, my colleagues in the profession—they started off on the Bell decision, which many members well remember was the case of the Jamaican chap—or there might have been two of them—who approached Bell for the rental of accommodation and claimed to have been refused.

The minister appointed Dean Tarnopolski of the University of Windsor to chair the committee and, before he embarked upon the hearing, the lawyer for Bell sought a writ of prohibition, which he obtained from Mr. Justice Stewart, and subsequently appealed to the court of appeal. The court of appeal's decision was written by the then Mr. Justice Laskin, who, speaking unanimously for the court, overruled Mr. Justice Stewart. Then they took the case to the Supreme Court of Canada.

The way the lawyers talked they would have you believe—if you listened to them and really believed what they say—only the courts can dispense justice. That is the presumption upon which they found their arguments: That you can get justice only in the courts—they are the greatest safeguards of human liberties and you have to ultimately go to them to ensure that you are going to get natural justice—which, of course, is a lot of bunkum. There is a cruder word, if there were not ladies present, that I might use to describe it.

The point is, that in unanimously passing The Human Rights Code, we in the Legislature launched a procedure whereby we advocated the use of compromise. We wanted to educate people. We wanted to try to bring them together, heal the wounds, and then set them off on new paths of understanding of their fellowman. That is the whole point of the legislation. The minister has the right to lay a charge, of course, and in reading the Act it is demonstrated that that is absolutely the last resort.

The last thing we want the minister to do is to put the matter in the courts. We try to resolve it by compromise and education. So, we get up to the Supreme Court of Canada and the decision revolves around the denial of Bell's access to the courts. You see, an interference with his fundamental rights—a failure to determine the question whether it was self-contained accommodation.

In short—and I think I have said just about everything that I need to say—I wrote to the predecessor of the minister immediately after it came out, advocating that at an early time we change the Act, if necessary. I did not get a reply from the predecessor. He is a kindly and courteous man, but he did not reply to my letter.

What I want us to do before the session is over is, hopefully, get our experts together and look at this decision and rewrite the thing in order to obviate it. We will take away that escape, because I noticed just the other day, to show you how progressive this kind of thing gets, that B. J. McKinnon, whom the government has hired in another matter. They have got him hired in the Niagara Escarpment deal. He is the commissioned counsel, but he is down in the court with a human rights case and he is arguing the same sort of—what is a suitable synonym I can say?—nonsense about denial of people of access to the court. For heaven's sake! Let us spell out in the Act the intent, that it is an instrumentality of compromise; that is an endeavour to persuade our people by nudging them along the way of toleration and, if that self-contained unit needs to be rewritten, then we can spell that out to forestall another assault upon the courts.

I end on this note. What we do not want with that human rights code is for these smart lawyers, when they have a client with a little bit of lucre, that they are taking the chairman of the committee to the court each time. Let us try to prevent them from doing that and keep the things out of the court. It will work better if we keep away from the court. That is all I want to say about it, but it is a matter of great importance to me and I was deeply hurt by the decision of the Supreme Court of Canada coming down as it did.

**Mr. Chairman:** Mr. Minister.

**Hon. Mr. Carton:** This is under close observation now, Mr. Sopha and will be, I hope, by this session.

**Mr. Sopha:** Good. Glad to hear it.

**Mr. Chairman:** Mr. Gisborn.

**Mr. Gisborn:** Yes, there is a question I would like to ask. I had a call some time ago from a chap who was very irate about the situation he ran into, and I want to relate it briefly—it will only take a minute—to get an opinion as to whether he had access to discrimination. He applied to rent an advertised apartment in Oakville and he was accepted to the point that he went to pay the rent. They asked him if he was married and he said, no, he was single. They refused him the apartment because he was a single man.

**Mr. Eberlee:** That is not contrary to the human rights code.

**Mr. Good:** This is where it is important that you are going to start broadening the basis on which—

**Mr. Gisborn:** It is not contrary to the—

**Mr. Eberlee:** I am afraid you would get into some areas where the question of enforceability, however desirable as it might be, would be so difficult, because you would have some apartment favouring single females and some favouring married couples.

**Mr. Chairman:** Mr. Ferrier.

**Mr. Gisborn:** I sort of agreed with you, but he would not take that kind of an approach from me. He was mad as hell. He declared that he was being discriminated against because he wanted an apartment to live in as a single person.

**Hon. Mr. Carton:** Another like situation could be where a single woman applies for a mortgage loan and, as the member knows, the mortgage standards will not give a loan without a guarantor.

**Mr. De Monte:** I was discussing that very point with a person this evening, as a matter of fact. There is one mortgage company now which has set down a memorandum that they are not allowed to discriminate on the basis of a woman applicant as long as she comes within the guidelines that they set down.

**Hon. Mr. Carton:** Salary and so on.

**Mr. De Monte:** There was a case that was presented to the particular company. The woman had lost her job and was getting another one and they wanted a guarantor. The minute she got it, she got the loan. At least one trust company now—

**Hon. Mr. Carton:** But this is unusual.

**Mr. De Monte:** But it is starting though. They are starting to recognize the fact that they will recognize the woman.

**Mr. Chairman:** Mr. Ferrier.

**Mr. Ferrier:** I have just got one small item. Where is the northeastern area of the province serviced by the Ontario Human Rights Commission?

**Mr. Eberlee:** Out of Sudbury.

**Mr. Ferrier:** Out of Sudbury. There is just one man in Sudbury for all the north-east?

**Mr. Chairman:** Is 1005 carried?

**Mr. Pilkey:** How do you deal with a situation like this? Manpower makes a referral to a job and they are fully qualified. They arrive there for the interview, and after the interview the employer says, "Thank you very much, we will call you if we need you." But they never get a call, and it is fairly obvious the reason they have not had a call is because they are coloured. How does the Ontario Human Rights Commission deal with that kind of thing?

Surely, when Manpower sends them out and gives them a referral, they have got one job and they give one referral. I hope to God they are not sending out half-a-dozen people on one referral. But when they arrive there, they are just interviewed and told, "We will call you." How does the Ontario Human Rights Commission deal with that, or does it?

**Mr. Eberlee:** If the matter came to the commission's attention, an officer would be assigned. He would carry out interviews, and he would try to get to the bottom of the situation. Admittedly his job is a very difficult one, to ascertain whether the person's colour was in fact the reason for the denial, but that is what we try to do.

**Mr. Pilkey:** I had a case where this girl, who has got all the qualifications in the world for the job, and as a result of that, they have just said, "We will let you know." Obviously they never did let her know.

**Mr. Chairman:** Does vote 1005 carry?

**Mr. Pilkey:** I want to ask some other questions.

**Mr. Eberlee:** Perhaps her complaint could be conveyed to Dr. Hill.

The committee adjourned at 10:30 o'clock, p.m.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Labour

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Tuesday, June 15, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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# LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JUNE 15, 1971

The committee met at 3.15 o'clock, p.m., in committee room No. 1; Mr. R. G. Hodgson, in the chair.

## ESTIMATES, DEPARTMENT OF LABOUR (continued)

On vote 1005.

**Mr. Chairman:** Mr. Pilkey, do you want to proceed?

**Mr. C. G. Pilkey (Oshawa):** Yes. I know that this was raised earlier in the estimates by the leader of the New Democratic Party—about the two people who were suspended from CFTO because they have long hair—but surely this is a discriminatory practice against individuals and I wonder what the minister's response is to that? Should employees be discharged?

Here is the article that was in yesterday's paper indicating that a Mr. Pat Hayes, 30, a lighting electrician, and a Mr. Wolf Kroeger, a set designer, had received letters of suspension until they get their hair cut. What, if any, action is the government prepared to take with this kind of discriminatory practice?

**Hon. G. Carton (Minister of Labour):** Mr. Chairman, this is not under our jurisdiction. This is under the federal Minister of Labour. Perhaps Mr. Mackasey might intervene if the member writes him a letter.

**Mr. Pilkey:** Have the federal people an office in this area dealing with human rights and discrimination?

**Dr. D. G. Hill (Ontario Human Rights Commission):** They do not have an office, but they have staff that they send here. They have staff here, not strictly on human rights, that they use as conciliation officers. It is their practice to fly staff from Ottawa to handle matters like this.

**Mr. Chairman:** I wonder, Mr. Pilkey, if you could answer a question on this: What is the difference between a requirement of this sort and the wearing of a hard-hat as a working condition?

**Mr. Pilkey:** As I said earlier in the estimates when this question was raised by my leader, I think these people could be required to wear protective clothing, as an example, but I do not think that should subject them to discharge. We have plants in Ontario that are 100 per cent for eye safety, as an example. It is a condition of employment that you wear that protective clothing. Why did they not at least say that to these people? I mean, if—

**Hon. Mr. Carton:** It is not under our jurisdiction.

**An hon. member:** Just a moment, what is their occupation?

**Mr. Pilkey:** A set designer; maybe his hair could get caught in the set, I do not know!

**Mr. T. M. Eberlee (Deputy Minister):** It is a federal jurisdiction.

**Mr. Pilkey:** You say it is a federal jurisdiction, but is it a federal jurisdiction when there is discrimination because an employee is working in an operation that is covered by the federal government?

**Mr. Eberlee:** It is under federal labour jurisdiction; radio and television—

**Mr. Pilkey:** I appreciate that.

**Hon. Mr. Carton:** Even safety is under their jurisdiction. If we want to undertake any safety procedures it is done by a special method. We cannot go into—

**Mr. Pilkey:** Are you telling me that if there is a violation of my human rights, just because I am working for the Canadian National Railways at Union Station you would not step into that situation in the Province of Ontario?

**Mr. Eberlee:** That is right. The Canada Fair Employment Practices Act would apply, not our statute.

**Hon. Mr. Carton:** The same as our Employment Standards Act applies here.

**Mr. D. M. De Monte (Dovercourt):** Do you mean to say that a section in the constitution



does not apply to an enterprise that is under federal jurisdiction? Do we not have complete control over civil rights here and is that not a breach of the civil rights of the individual?

**Hon. Mr. Carton:** This relates to his employment.

**Mr. De Monte:** Could it not be, though, when you violate a person's civil rights it is completely within the jurisdiction of the province to ascertain whether his civil rights have been violated? If the federal government is infringing on your territory, constitutionally its action might be *ultra vires*?

**Mr. Eberlee:** I think there has been a whole series of these. The decisions over the last 50 years have established the lines pretty clearly in this area.

**Mr. De Monte:** Perhaps you are correct. What cases were there?

**Mr. Eberlee:** I will have to consult my legal counsel.

**Mr. Chairman:** Proceed, Mr. Pilkey. I would have to rule you out of order on it. I did not want to—

**Mr. Pilkey:** Well, frankly I did not know. I had forgotten that the minister answered in that vein, that it was in the federal jurisdiction.

**Mr. Chairman:** Could you proceed with some other question?

**Mr. Pilkey:** Right! On the submission that was made by the Ontario Federation of Labour and one that the minister alluded to yesterday; I just wanted to ask some questions in regard to that submission.

One of the things they asked was that the Ontario Human Rights Code be amended to enable the Ontario Human Rights Commission to examine the overall practices of business and unions in relation to human rights practices. What is the minister's view on establishing this kind of practice under the Ontario Human Rights Code?

**Hon. Mr. Carton:** We already have that power.

**Mr. Pilkey:** Obviously the people who presented this did not feel you did. Did you make that observation to them at the time?

**Hon. Mr. Carton:** Yes, I do not recall them discussing it any further after I made the point.

**Mr. Pilkey:** Right! Also, they asked that the Ontario Human Rights Code be amended to include discrimination based on a person's sex. Has the government—I know there has been representation made to the minister by a number of women's groups in the Province of Ontario—does the minister have any views on incorporating that into the Human Rights Code?

**Hon. Mr. Carton:** It is under very intensive study. As a matter of fact, I was discussing it not more than 15 or 20 minutes ago.

**Mr. Pilkey:** At what point in time do you think you may have a positive response to this request?

**Hon. Mr. Carton:** The only answer I can give is that it is under study. I am aware of the representations you mention; I have spoken with certain groups and listened to their representations. I am studying them very carefully.

**Mr. Pilkey:** Is the government considering the suspension or revoking of public licenses where individuals are in violation of the Ontario Human Rights Code? This is one that has been raised a number of times; where public licensed operations are in violation. One of the ways of correcting it, it has been suggested, is that these public licenses be suspended or revoked. Has the minister any comment on that?

**Hon. Mr. Carton:** I have not entered into any discussion. This is a matter I have not had time personally to look into, but there have been approaches to the department and there are studies as to its feasibility. But I have not yet—

**Mr. Pilkey:** Does the minister believe the present fines that are mentioned in the Act or in the Code are high enough to make discrimination become unprofitable, if I may use that term?

**Hon. Mr. Carton:** I will let Dr. Hill take that. He will probably answer it more specifically, but I do not think the intent is to garner fines. I think the intent is, by conciliation and by education, to gather in the thinking of people through proper motivation. Perhaps you can enlighten us a little further, Dr. Hill.

**Dr. Hill:** Mr. Minister, I cannot say much more than that, other than to say that the fine structure was raised about two years ago from \$100 to \$500 for an individual and from \$500 to \$2,000 for a company. It is the

highest fine structure of any human rights governmental agency in Canada as it stands today. That is all I can say to that, Mr. Chairman.

**Mr. Pilkey:** Who is able to file complaints with the commission on discriminatory practices?

**Hon. Mr. Carton:** Anyone, to my knowledge.

**Mr. Eberlee:** A formal complaint has to come from an individual; but complaints are filed on behalf of individuals by trade unions and organizations of all kinds. We have to have a case, of course. We have to have someone who is willing to testify that he was discriminated against before we can really proceed.

**Mr. Pilkey:** Are these proceedings in camera or in public?

**Mr. Eberlee:** Our first step is to attempt to conciliate the thing; to settle it. That is, of course, in camera. But if a case goes on to a board of inquiry that is a public hearing.

**Mr. Pilkey:** So all boards of inquiry are public?

**Mr. Eberlee:** Yes.

**Mr. Chairman:** Mr. Bullbrook.

**Mr. J. E. Bullbrook (Sarnia):** Yes, this line of questioning has spurred me to a question that I want to record. I thought perhaps both the minister, Mr. Chairman, and Dr. Hill, might want to comment on it; the question that perhaps in a number of situations the Ontario Human Rights Code is supervised by The Department of Labour itself. I am sure this has been discussed—probably during the estimates of perhaps this minister, certainly his predecessor—but one has to consider that human rights really are not a reciprocal equation that involves employer-employee. I am wondering if really the thrust of human rights should not be something within the ambit and responsibility of the Attorney General.

As late as this morning I had a letter from a man complaining, for example, of the fact that his daughter had spent from Friday afternoon until Monday morning incarcerated in our jail in Sarnia for being found with a bottle of beer in front of her in a hotel.

**Mr. E. W. Sopha (Sudbury):** Is that the jail that Alexander Mackenzie built?

**Mr. Bullbrook:** No, that has been torn down. It is a new jail. This was built by John Diefenbaker, I believe; or opened by John Diefenbaker.

In any event, the point that I want to make here is—and I realize I digress and Mr. Chairman looks with some degree of concern as to whether I am on the point—

**Mr. Chairman:** That is right.

**Mr. Bullbrook:** What I want to express both to the minister, and perhaps Dr. Hill, is this: Is it the function of the Minister of Labour to really guide policy-making in connection with total human rights? You see when I talk about that young lady being in jail, it is a question of an assessment, a social norm and mores in the context of our contemporary society. I just wondered, really, is that the function of a Minister of Labour?

The fact of the matter is that our liquor legislation is archaic in the extreme. Surely the most fundamental right available to a person, Mr. Chairman, is the right of freedom of movement.

**Mr. Chairman:** Yes, but I was wondering if the member is not infringing on civil rights versus human rights.

**Mr. Bullbrook:** It might well be that I am, in this respect. This is probably the reply the minister will give me. I just wonder if that is not too much a semantic exercise, really; this distinction between human rights and civil rights. It seems to me that when they affect the individual, the individual really is not that interested in that semantic argument, in that fine distinction.

I am just wondering what the propriety is of the Human Rights Commission being under the responsibility and somewhat the policy direction of The Department of Labour?

**Hon. Mr. Carton:** Well first of all—I will let Mr. Eberlee answer it in more detail, possibly—but do not all laws relate to people?

**Mr. Bullbrook:** Yes.

**Hon. Mr. Carton:** And, therefore, part of your argument is really not valid.

**Mr. Bullbrook:** The point I wanted to make is this: When I refer to justice, it would seem both human and civil rights are an aspect of the obligation of government to afford its citizenry justice.



**Hon. Mr. Carton:** Why not The Department of Citizenship then?

**Mr. Bullbrook:** Citizenship, I do not think, really, has the positive function here that Justice has. I do not want to carry this on in too great length, but I do see a deficiency, from the public point of view, in the Minister of Labour being responsible here. Because one would see, perhaps, in the total portfolio of Justice, the responsibility by the justice minister to see situations relative to, for example, contemporary liquor legislation as adversely affecting what we would regard as both civil rights and human rights.

**Mr. Eberlee:** Sir, as the minister was pointing out, surely all law bears in the area of civil rights. All laws create duties and obligations. The Human Rights Code is a statute which simply says that persons shall not discriminate against persons in employment, on grounds of race, colour, creed, and such as nationality, place of origin. The same applies in connection with housing, accommodation and services. The Human Rights Code is quite a specific piece of legislation.

Maybe it is misnamed. A few years ago it was composed of statutes called The Fair Employment Practices Act, The Fair Accommodation Practices Act, the Anti-Discrimination Commission Act. And as I recall when the code was brought in it was suggested maybe it was better to be more positive in the way it was named. But it deals with specific subjects.

One of our difficulties, of course, is that the public tends to look upon the Human Rights Commission as an agency that can solve any human problems, any civil rights or human problems.

**Mr. Bullbrook:** I recognize that.

**Mr. Eberlee:** One of our jobs is to refer people to the appropriate agency that can help them. But we find from experience that it is really very well placed in The Department of Labour because so much of its business relates to employment; the opportunity for people to earn a livelihood. And we are able, through the other branches of the department, to support the work of the Human Rights Commission.

The two sides of the department, as it were, are mutually supported. We find, for instance, that the Indian population will suffer from exploitation in certain forms of employment and the employment standards branch can work very closely with the commission and bolster its activities and its work.

If we were placed somewhere else in the government service we would not have that close a connection. So from my standpoint, we think that it is well located.

**Mr. Bullbrook:** Dr. Hill might want to comment.

**Dr. Hill:** I might just add a bit for the hon. member. There are now hundreds of human rights commissions on this continent, in the United States and in Canada; federal, municipal, provincial and state. Indeed, we are members of the International Association of Official Human Rights Agencies. A lot of these agencies started coming into being in the late 1940s, after World War II, and when they started scouring around to find out where they should be placed, they found just about uniformly, in the United States and in Canada, that the most serious problem of discrimination was in the area of employment.

**Mr. Bullbrook:** I see.

**Dr. Hill:** That was the greatest priority—a man cannot get a house, a man cannot use public accommodation and many of the other things involving human rights, unless he is employed; and discrimination in employment was the largest single problem for all these commissions. So that if you look around, you will find that most commissions have been placed in departments of labour, and it has grown out of this tradition of employment being the single most important problem. I would say it still is, really.

**Mr. Bullbrook:** I appreciate, Mr. Chairman, the comments of both the minister, the deputy minister and Dr. Hill. I realize and we have more practical things to get to. It was somewhat of a philosophical interlude.

Vote 1005 agreed to.

On vote 1006.

**Mr. Chairman:** Mr. Bullbrook, do you want to proceed?

**Mr. Bullbrook:** Yes Mr. Chairman, thank you very much. I have taken the liberty of advising the minister that I was going to speak for a few moments in connection with correspondence that had passed between he and myself, relative to the position of employees in connection with bankruptcy by corporate or other employers.



**Mr. Chairman:** Mr. Bullbrook, before you start, would you please try and relate it to The Department of Labour and expenditures of The Department of Labour?

**Mr. Bullbrook:** Well the relation is that the employment standards branch is responsible for the protection of the public good and weal relative to the rights of the employee to be paid and to receive his vacation pay.

Several constituents had written to me in connection with the bankruptcy of Butcher Boy Meat Markets in Sarnia in April of this year. Prior to that time I had correspondence with the minister on another matter and it seemed passing strange to me that all of a sudden I was receiving considerable correspondence relative to this particular problem. The problem is essentially this, Mr. Chairman: That upon the bankruptcy of a business enterprise there does not seem to be satisfactory protection for vacation pay, in the first instance and that is subject to some comment; and, more important, the wages accruing to the employee.

A lady wrote to me as follows:

Dear Mr. Bullbrook:

I am writing to you in regard to the bankruptcy of Butcher Boy Meat Markets, 234 Maxwell Street, Sarnia. I was employed there as a steady employee until April 10, 1971. The store was closed Tuesday, April 13, 1971. I was informed I would receive wages and vacation pay, within one week after the store closed, through the trustees. As of this date—  
and the date of the letter is April 24:

—I have not received any word on this matter.

Butcher Boy Meat Markets owe me 39 hours at \$1.90, plus vacation pay. I would appreciate it if you would look into this matter for me. Hoping for an early reply.

Then she gives me the name of the trustee. That is one of three letters that I received.

I took the liberty of speaking in the Legislature with the minister at that time and recognizing and not in any way denigrating, believe me, that the minister is new in his portfolio, I did this for a purpose—so that he would be familiar with the general concern that I expressed.

I wrote to the minister on May 6 saying that the above named were all former employees of Butcher Boy Meat Markets Limited, now assigned in bankruptcy to Mr.

Marvin Shore, trustee in bankruptcy, Suite 106, 186 King Street, London, Ontario.

I held off communicating with him because one of the people involved had advised me that the former owner of the premises had assured her verbally that they would receive their wages and vacation pay.

You recall that I had spoken to you personally in the Legislature in connection with matters of this nature. This is the second time within a period of months that I have had the need to write to you on behalf of people who have not received wages or vacation pay from employers who go out of business. I recognize that it is a difficult circumstance but I really feel something of a legislative nature should be done to assist these people.

In any event, I would appreciate it if your regional office could look into the question of Butcher Boy Meat Markets Limited in ascertaining what has happened to these people's wages and vacation pay, and whether they can look forward to any possibility of receiving same. On May 12 the minister replied, advising that he would look into it and subsequently I received a letter on May 27 and, with his permission, I will read it. It begins

Dear Jim:

Further to my letter of May 12, 1971, concerning former employees of Butcher Boy Meat Markets Limited, I find there is very little the department can do once a company has gone into bankruptcy. Ideally it would be desirable to move employees' wages into a secure position under bankruptcy. However, it is felt that it would be very difficult, if not impossible, to prepare legislation that would stand up under the challenge of the trustee.

**Hon. Mr. Carton:** I might interrupt here, for a—

**Mr. Bullbrook:** I am sorry, do you mind if I continue, because you have mentioned about the bankruptcy court?

**Hon. Mr. Carton:** No, go ahead!

**Mr. Bullbrook:** I continue then from the letter:

We do believe that we have been able to deal with vacation pay but we will not know definitely until we are actually challenged in the bankruptcy court.

That is why I hesitated to read that part. I do not want to invite such a challenge. Back to the letter:

In any event, I have asked our employment standards branch to contact the trustee to determine just what the chances are that the employees will receive their wages.

I will inform you as soon as I hear further. I trust that the employees have filed claims with the trustee.

My personal regards.

Now, to the point, and very quickly. The minister is as concerned as I, and I am sure his department is. The fact of the matter is, as I read it, that there is a constitutional problem here that faces the minister—and time and again we had better start moving in the constitutional field, Mr. Chairman, and forget about entrenching the bill of rights and get onto issues such as this. I believe I am correct in saying that he is concerned about whether his legislation would stand up. The point is that I want to know from the minister, could he give us some assurance that there is an active undertaking on the part of his department for effective liaison with the federal people, if they have the constitutional prerogative in this connection?

It is not melodramatic to say that all of us in the Legislature would agree, I believe, that the single most important persons in a business failure, are the people who have devoted their time and effort, as employees, without vested interest, without the possibility of profits, but on a defined reciprocal basis that they will work so many hours and will receive so much wage and so much vacation pay. It strikes me that we cannot afford the luxury of any possibility that these people go without that pay, nor can we afford the luxury that they go without their vacation pay also. I would suggest that I would want to support legislation that, if it had to be paid out of public funds, it should be paid, frankly, even if we had to go that far. So I am vitally concerned. The minister knows; he put a personal comment on this letter that I will now read, which expressed both his personal concern and mine in this respect. I am just wondering what movement can be made in this connection.

It seems rather obvious to me that the second aspect of it is this and this is the tragedy of it all. During the course of the correspondence that went on between the minister and ourselves—and it was a period of a month, not his fault, but the fact of the matter is that government being what it is,

and laws being what they are, and bureaucracy to a certain extent, although seemingly a distasteful word, is a necessary evil and it takes time. But you know, while this is going on these people are without money; that is the essential ingredient. They have no money to live on, really. They are down that far because of their wages. I think the one boy got, if I recall correctly, \$1.30 an hour, which in itself is a telling story, is it not? But \$1.30 an hour is what he is paid.

**Hon. Mr. Carton:** Is he a student?

**Mr. Bullbrook:** I cannot answer that, sir, I presume that Butcher Boy would not want to pay him \$1.30 if he was not, but in any event he received \$1.30 an hour. The reason I point this out is that when you are receiving \$1.30 an hour the luxury you cannot afford is not being paid week by week; so there are two things here.

I query the minister, not about his intentions, his intentions are obvious, but about what can be done as he presently sees it, not only to ensure payment to people in circumstances of this nature, but secondly to ensure that payment will be made expeditiously. I digress for a moment to remind the minister of this department that at this very time I am dealing on another matter in Samia where a man is waiting for his severance pay, and has been waiting for about four months for his severance pay. There is a method of appeal in connection with adjudication of the propriety and amount of the severance pay that carries it on and on and on. It is almost an archaic thing. It is not directly involved with this but the minister nods in agreement that we do have to look at this essential social connotation in connection with matters of this nature, that people be paid forthwith.

**Mr. Chairman:** Mr. Minister.

**Hon. Mr. Carton:** First of all, I agree with the member in what he stated, and I am concerned about it. I have not had the opportunity as yet to make any overtures to the federal government, but I will see what can be done in this respect. I am wondering if perhaps this particular one was investigated and I wonder if Mr. Howard could tell us if there were any other.

**Mr. Bullbrook:** I want to interrupt, if I might. I might say I think I have had occasion to speak to Mr. Howard and had great co-operation from him on various matters. As a matter of fact, Mr. Chairman, I am sorry for the interruption, but Mr. Howard is very



aware of the one that is being appealed at the present time. I am not sure of the intricacies, but he expressed concern at that time of these procedures and so I want to record that.

**Mr. M. E. Howard** (Employment Standards Branch): Mr. Chairman, the problem of the vacation pay in trust is now being tested. We simply got a cheque for \$11,300 from the trustee, and that will be appealed. We are going to find out just where we do stand on these bankruptcies. In the case of the pay, of course, it is only a preferred claim at present and the trustee is bound with The Bankruptcy Act, and if he does not have enough money to pay the secured people, then he will not pay it out. We have gone through this prior to the change and, in the cases where we were involved, we lost every one because they stated the vacation pay was earned when wages were earned and this is the reason there could not be any more than \$500 paid as a maximum even on a preferred claim. So I think we are going to have to wait and see what comes out of this particular appeal because it will definitely go to the courts. It was paid on that basis, and we are going to try and find out where we are. We think we are all right on the vacation pay. We think we have moved up the preferred wages to the top of the preferred list, but then again we will have to see. We do have assessments out against the trustees and we are getting objections from the trustees, but we are going to have to wait and see how they turn out in the courts.

**Mr. Bullbrook:** Right.

**Mr. Howard:** We have hopes, certainly, of the vacation pay, that we will come through, but so often in bankruptcy there is just nothing left for the preferred creditors, and this is where the wages now sit.

**Mr. Bullbrook:** I appreciate very much Mr. Howard's comments. What I want to convey, by way of this record, to the minister, is my personal attitude, recognizing that it could possibly adversely affect the position of a business in connection with its necessary financing. I would like to see the wage obligations to be in priority to secured creditors on the bankruptcy issue. That is what I would like to see. I just must say, because of my particular personal trend at this time, I am not really enamoured of my responsibility for example, to the Bank of Montreal and the Royal Bank of Canada and other financial

institutions as I am to the responsibilities of the people who work there.

I would ask the minister to consider the establishment in his own mind, and the conveyance to his cabinet colleagues, of an attitude on policy that would ask the federal government to amend the legislation to ensure that Mr. Howard and the department are not faced with this dilemma, because it would seem that he or his department or rather the law, might be in a very delicate position. And I would think that having regard to our general thoughts on this matter, you might find some degree of reciprocal feeling in Ottawa along this line.

**Hon. Mr. Carton:** I might mention to the member that, in 1965 I think it was—this was before the member came into the Legislature—I made a speech in the Legislature, in one of my budget speeches, on The Bankruptcy Act.

**Mr. Bullbrook:** Did you?

**Hon. Mr. Carton:** Although it was well received, at the same time many of the members thought I was out of order, because I was speaking on The Bankruptcy Act, and I am happy to see that you agree with me.

**Mr. Bullbrook:** I am so pleased. I want to assure you this is no plagiarism, because I did not know that you had made that speech.

**Mr. Chairman:** Mr. De Monte.

**Mr. De Monte:** I think I will pass to Mr. Pilkey and I will get up later.

**Mr. Chairman:** Mr. Pilkey, are you ready? Mr. Gisborn?

**Mr. R. Gisborn** (Hamilton East): Yes, first—

**Mr. Chairman:** Are you on closures, Mr. Gisborn?

**Mr. Gisborn:** Pardon?

**Mr. Chairman:** Closures?

**Mr. Gisborn:** No.

**Mr. Chairman:** Okay. Proceed.

**Hon. Mr. Carton:** Before we get into closures, I do want to put in some material here and discuss it so you then can come back with your queries, in view of the undertaking I gave to get a full report on the up-to-date closures and terminations.



**Mr. Chairman:** Mr. Gisborn, do you want to wait a couple of minutes? Yours is on another matter? Proceed then, Mr. Gisborn.

**Mr. Gisborn:** First, just out of curiosity; according to the estimates the 1969-1970 actual expenditure was \$7,743,387, but your 1970-1971 estimate has dropped down to \$2,779,100.

**Hon. Mr. Carton:** That has to do with vacation pay stamps and I will let Mr. Howard explain it, if he will. I spotted that, too, Mr. Gisborn, and I asked the same question. There is a logical answer.

**Mr. Chairman:** Mr. Howard.

**Mr. Howard:** Mr. Chairman, this deals with vacation pay books which were phased out in 1969. Prior to 1969, the vacation pay for the construction industries and so on were always paid by stamp. As of June 30, those stamps were redeemed.

That money was credited to our accounts and charged against the accounts. During the year 1969-1970, you will notice there is still about \$1 million there for the phasing out which was not used—I think maybe about \$300,000 or \$400,000. As of this year, very little has been paid out for vacation stamps. It was primarily an incoming figure and an outgoing figure that did not really affect the operation of the branch as such.

It is simply the money paid for the purchase of stamps. Then that money was paid back to the employees on June 3 for the redemption of those stamps for their vacation pay.

**Mr. Chairman:** Mr. Minister, would you like to give your statement now on that, please.

**Mr. Gisborn:** I will carry on later.

**Hon. Mr. Carton:** This is in relation to plant closures and terminations. You will recall that the matter came up in the Legislature.

The reduction in a firm's level of employment leading to mass layoffs occurs for a great variety of reasons, but most often results from a decline in demand for its products. The underlying causes are frequently: (1) Less consumer purchasing power—that is, less credit; (2) Changes in taste or the appearance of substitute products; (3) Developments in operation processes that reduce the number of jobs available; for example—technological change; (4) Altered federal government policies with respect to competition

from outside the country, such as the auto agreement or lower tariffs associated with GATT; (5) Layoffs, of course, increase in periods of economic slowdown.

One solution to the problem of layoffs would be to prevent them by placing restrictions on the employers' right to determine the size of his work force, that is a formalized review procedure to determine the legitimacy of the decision to lay off workers and the feasibility of maintaining operations.

However, mass layoffs are almost invariably associated with unprofitable operations. It is unlikely—and I use the word unlikely; it is not necessarily always in every case—but it is unlikely that such a review would be of any practical use because the decision to lay off is taken only after a careful assessment by individuals with the required experience and expertise and having access to detailed information.

Moreover, it is possible that such a review may not only be a waste of time and effort but may also, through the raising of false hopes, delay the taking of effective remedial action by those immediately involved.

Premised on layoffs normally being associated with unprofitable operations, a decision to maintain employment would have to be accompanied by either government takeovers or subsidies, both of which are highly unattractive. They would be costly to the taxpayers and the artificial maintenance of unprofitable operations is fundamentally irreconcilable with an efficient and desirable use of the economy's resources.

Rather than impede change, government policy should be directed toward reducing the burden of adjustment when it falls heavily on particular employees. The main thrust of our legislation is toward alleviating the burden of employee adjustment periods.

Government action that impedes change may decrease economic efficiency and aggravate layoffs and plant closure problems in the long run. The most effective government programmes are those that facilitate re-employment of dislocated workers and ease the heavy costs imposed on them by unemployment or job dislocation.

The purpose of our legislation in the case of mass layoffs is to minimize the impact of economic developments which result in the shutdown or part closure of a plant and to help workers to adjust to the change.

The advance notice required by the regulations will give discharged employees more

time to find other employment and to take advantage of various programmes provided by the federal and provincial governments to assist the unemployed, including training and retraining projects, mobility grants, unemployment insurance, and job placement services.

The legislation applies to all industry except construction, and includes the Crown, its agencies, municipalities and school boards. But the notice requirements do not apply to seasonal or intermittent employment, short-term layoffs, legal strikes or lockouts, or in other cases where lengthy notice would not be possible.

Where a company lays off large numbers of workers for a period of less than 13 weeks, it does not have to give advance notice to the employees, nor is it required to inform The Department of Labour.

An extension to this period may be granted upon application in special circumstances. Where the requisite notice has not been given, payment in lieu is required. This is based on the number of workers discharged, so that where 500 or more workers are involved, each employee will receive a total of 16 weeks pay in lieu of notice.

To ensure that the role of government agencies in providing information and assistance to workers who find themselves unemployed because of mass layoffs is as comprehensive as possible, an interdepartmental committee has been established under the new legislation. Represented on it are the provincial Departments of Education, Social and Family Services, Trade and Development, Treasury and Economics as well as the Ontario Development Corporation, the Pension Commission of Ontario and The Canada Department of Manpower and Immigration. A representative of The Department of Labour is chairman of the committee.

The main purpose of the committee is in ensuring compliance with the notice provisions of the Act; in notifying other agencies which may be able to help displaced workers and in co-ordinating their activities. But it also aims to assist employers on an informal basis by giving guidance and advice and enlisting other agencies to offer assistance which could either forestall a shutdown or ease its ultimate impact.

In the first two months after the regulations came into force, more than a dozen companies gave the department notice of their intention of laying off some 1,200 workers in all. A few are going out of business;

others are closing down part of their operations and others are moving to other areas in the province or to other provinces.

**Mr. De Monte:** Can I ask what job offers—

**Mr. Gisborn:** Do you have any breakdown on the—

**Hon. Mr. Carton:** Yes, I do. The present situation in connection with the terminations is as follows. I will give you a complete breakdown and we can go over these company by company—I have no objection to it—and go into them in detail. There are, in fact, 20 notices given under the legislation.

Where no notices were given, but in which we are interested, there is a total of four, and where unofficial notices were given, there is a total of seven. Now there is a list of 30 others that I kept track of through the department. I have the list here if I can find it.

I will go over them just so you will understand the situation with respect to these 30—some which totals up to 62. Amercoat Canada Limited; only six employees involved and they all received proper notice. Bear in mind our legislation only comes into play where we have over 50.

**Mr. De Monte:** May I ask: The minister does not know what they were producing and what happened?

**Hon. Mr. Carton:** Amercoat Canada—I do not have the information on that. There were only six employees. Bear in mind my figures are broken down into some when there were just press notices. We became interested because I wanted to be aware of all closings or any layoffs.

The ones that we have full reports on are the ones where there were actually notices given in compliance with the Act. They totalled 20. In addition there were seven where they gave unofficial notices and in addition to that there were four in which we are interested. The total number of employees where they actually gave notices was 2,403 employees. By way of a general remark, it is my understanding that we have received notification that of these 2,403, all but six or seven hundred have been re-employed. Canadian Acme Screw and Gear Limited was another situation that did not demand notice and where they have been working at it for one year approximately.

Yes?



**Mr. Makarchuk:** If I may interject, Mr. Minister. The figures you are giving, are they for the next month, two months or three months?

**Hon. Mr. Carton:** These are notices received to today—or yesterday in any event.

**Mr. Makarchuk:** What is the latest date of closure then that would be involved in these figures?

**Hon. Mr. Carton:** Some up to August.

**Mr. Makarchuk:** When will the last plant close, according to these figures? Will this be about the end of August or September?

**Hon. Mr. Carton:** I have one that is advising us it is transferring its operations from Kitchener, I believe, to Toronto, say; it advised us three months ago it would be doing this some time in 1972. Some of the companies may come to us six months before, some a year ahead, some just in compliance with the statutes.

Chemcell Limited is one of the 32 I had. It did not require notice and 26 people might lose their jobs. At Serco Engineering Limited, 64 people were affected and most of them moved to London; so only 11 out of the 64 had to be given any consideration.

Cobalt Refineries is one that was raised in the Legislature; I had the latest figures of that date that the Manpower services centre had given me.

**Mr. De Monte:** What are the figures? How many employees have—

**Hon. Mr. Carton:** It is in Hansard, but the information I had at the time was that there were something like 60 people, and out of this 60—I am going from memory—there were jobs available in Timmins for 20 but they did not want to relocate. It is in Hansard.

At Dominion Forge there was an indefinite layoff affecting 140 employees, all of whom are receiving supplementary unemployment benefits. Bear in mind that under the legislation, where they are receiving supplementary unemployment benefits that could be as high as 80 per cent of their salary, they are not required to give notice.

In Fielder Paper Box Company, all but six of the employees had secured jobs and the others had jobs to go to. Fleet Manufacturing was one that was brought to my attention and actually had no layoffs. They went to a four-day week.

**Mr. R. Haggerty (Welland South):** That is right.

**Hon. Mr. Carton:** This is from my list, from which was built up some 62 that I mentioned.

At Fromme Brothers Limited, 25 were on temporary layoff, 41 were working one day a week and no employee had been out over 13 weeks. In any event, it was less than 50, which was the required notification under the legislation.

Haley Industries—we had received word there might be a layoff there but we were advised there would be no terminations and that the layoff was only to provide time for re-tooling.

Hollandia Bakeries—these were people hired in Toronto for a specific task and were laid off; then the firm reopened in Mount Brydges, employing all the former employees who were available, and the regulations do not apply.

Holmes Foundry—there were 200 on a 20-week temporary layoff, 49 were terminated but some were given work and re-training; again, our regulations did not apply.

James Mathieu Lumber Limited—118 employees were laid off on a schedule expected to recommence wood cutting around the middle of May, so they are now back at work.

Kayson Plastics—fewer than 50 employees and only 26 asked for assistance in securing employment; the latest reports indicate most of them secured work in the Kitchener-Preston-Galt area.

Kemptville Creameries—there were only 21 employees affected, and they were not required to give notice therefore.

Laura Secord—this was advance notice of a move that would take place from Kitchener, I believe it is, to Toronto in 1972.

Quaker Oats-Society Foods—the final report of the Canada Manpower consultative services indicates that 90 per cent of the employees have been adjusted.

Renfrew Aircraft—this was one where the member for Oshawa I believe, was up at Renfrew in connection with a new industry that was going in there and expecting to create 137 new jobs; I am not aware of that, but you were up there with Trade and Development.

Welsh Lumber Company in Toronto—this is a personal matter; it is an estate they are winding up and there are fewer than 50.



Weyerhaeuser Company—no notice is required because their termination was due to a fire.

Horton Steel—there were fewer than 50 employees involved and there is a prospect for additional work even for those.

International Harvester—there was a temporary layoff, including holidays, and they expect to resume production in September.

Mason Knitting Company—the regulations did not apply because this was a foreclosure by the Bank of Nova Scotia.

Niagara Wire Weaving was a temporary layoff involving less than 50 people.

Niagara Dry Beverages—fewer than 50 people were involved, since 30 are moving to the St. Catharines warehouse.

Otaco Foundry—fewer than 50 employees, less than one month's service, and they were laid off because an expected order was cancelled. Shortly thereafter most were recalled.

Peace River Mining—fewer than 50 persons were involved. Latest reports indicate the company could not decide whether it would proceed with operating the plant or closing it down.

Quality Records—employees were hired for a specific task in September, 1970, and suspended in January, 1971. The shift reopened in February, 1971, and closed again in May.

Those are the ones—some 32—where the regulations do not apply, but of which I had some knowledge and I wanted the knowledge even though there were as few as six employees.

**Mr. De Monte:** So there was no notice required under the Act?

**Hon. Mr. Carton:** Right.

**Mr. De Monte:** No notice, individual notice was required but not the mass?

**Hon. Mr. Carton:** Not the mass layoff terminations.

**Mr. De Monte:** Well, to the employees?

**Hon. Mr. Carton:** Yes.

**Mr. De Monte:** How about the 20?

**Hon. Mr. Carton:** Now as to the 20 where official notice was given under the legislation, Abitibi Panel Products at Sturgeon Falls, affecting 80 employees, is a Canadian company. There is a union representing the employees—the International Brotherhood of Pulp, Sulphite and Paper Mill Workers. The date of notification was January 18, 1971,

the date of termination was March, 1971, and the reason for termination was increasing operating costs, coupled with a decrease in returns of investments, caused closure of the hardboard section.

Action taken by my department: Representatives of the company met officials of The Department of Labour at Toronto asking for guidance in the closing of the hardboard section on January 6, 1971. The officials were advised to establish a committee under the Canada Manpower consultative service; this was done and the adjustment of the employees was satisfactorily completed. When Canada Manpower consultative service have finished and the committee is completed, a 10- or 12-page report comes out, and we have an office report in connection with Abitibi Panel Products.

The next company where we received official notice was American Motors at Brampton. This is a subsidiary of American Motors, Detroit, with 90 employees in UAW local 1285. Date of notification was May 6, 1971, and the date of termination was August 2, 1971. The reason for termination was that the engine assembly plant is being phased out. Action taken by the department: Several executives of American Motors met with a representative of The Department of Labour to take further action which would lessen the impact on employees. Representatives of the department kept in touch with firm officials who were aware of this assistance.

**Mr. De Monte:** The engine plant was being phased out?

**Hon. Mr. Carton:** Right—

**Mr. De Monte:** Pardon, I did not hear that.

**Mr. Eberlee:** This was probably tied in some way or other with the automotive free trade agreement.

**Hon. Mr. Carton:** The next company is a Canadian company, Anthes (Eastern) Ltd., St. Catharines. The number of employees affected, 150. UAW, CIO local 199.

**Mr. Makarchuk:** May I interject?

**Hon. Mr. Carton:** Yes.

**Mr. Makarchuk:** Mr. Minister, did you say Anthes?

**Hon. Mr. Carton:** Yes, Anthes.

**Mr. Makarchuk:** Anthes is a Canadian company?

**Hon. Mr. Carton:** Yes it is, definitely, owned by—I know the man who started it, Bud Willmot. He is president of Molsons now, and they own it. Number of employees, 150. Date of notification, March 15; date of termination, May 14; reason for termination, declining market for products.

**Mr. Eberlee:** Cast iron sewer pipe.

**Hon. Mr. Carton:** Cast iron sewer pipe; I understand they just do not use them, there is no demand for them.

**Mr. De Monte:** Not any more, why did they not go to cement?

**Hon. Mr. Carton:** Action taken by the department: They met officials of the company at The Department of Labour Offices on March 11, where all their plans for the closedown were discussed and approved by the department; a further meeting to be held at St. Catharines. The Department of Trade and Development was contacted to see if anything could be done to assist; a committee of adjustment was formed under the Canada Manpower consultative service.

The next one is Automatic Electric Canada Limited; this is an American subsidiary. Number of employees, 195 approximately. Date of notification, March 17, 1971; date of termination, May 14, 1971. Reason for termination: They employed extra people to complete a large order; upon completion of the work the employees were laid off. Action taken by the department: Officials of the company met with The Department of Labour officials to recommend that an adjustment committee be set up. This has been established and is now in operation.

**Mr. De Monte:** Where was that plant located?

**Hon. Mr. Carton:** Brockville; the next one is Canadian H. W. Gossard Co. Ltd., Toronto. Number of employees affected, approximately 100; date of notification, February 15, 1971; date of termination—this has been reopened, has it, Mr. McNeill?

**Mr. D. C. McNeill (Manpower Services Division):** Yes.

**Hon. Mr. Carton:** In other words, this is not really—they did not really close, so we can skip that one.

**Mr. Eberlee:** It is sold to another company.

**Hon. Mr. Carton:** Sold to another company and opened up again.

Canadian Westinghouse Company Limited, Brantford. Number of employees affected, 369; union, the International Electrical, Radio and Machine Workers, Local 555; date of notification, March 18, 1971; date of termination, the end of June, 1971. Reason for termination: Devaluation of the dollar cut much of the foreign market; strike in 1969 caused loss of customers in 1970.

Action taken by the department: Meetings were held in Toronto with members of the management of this firm and representatives of The Departments of Labour and Trade and Development, and Canada Manpower consultative service were asked to assist; but the company and the union would not agree to a five-man adjustment programme being established.

Cyanamid of Canada—

**Mr. De Monte:** May I ask, what were they producing at the Brantford plant?

**Mr. Makarchuk:** It was home entertainment products, colour television sets.

**Hon. Mr. Carton:** The next one, Cyanamid of Canada Limited, Niagara Falls. Number of employees, 70. Date of notification, January 4; date of termination—the closedown has been deferred several times.

**Mr. Haggerty:** Cyanamid is a subsidiary.

**Hon. Mr. Carton:** It is a subsidiary, right. The closedown has been deferred several times. Complete closure is slated for late 1971. Reason for termination, if any: Technological advances have recently made past techniques of production of calcium carbide economically unfeasible.

Action taken by the department: The Department of Labour has kept in constant touch with Canada Manpower consultative service which has had an adjustment committee set up since November of 1970. It appears that the company has now decided to close a second furnace on July 1, 1971 and the committee is now in a better position to proceed.

**Mr. De Monte:** How many employees there?

**Hon. Mr. Carton:** Seventy.

The next one, Dominion Magnesium—this is a Canadian company, I would like you to note that. We talk about branch plants but a good half of these are Canadian companies. Number of employees affected, 181.



**Mr. De Monte:** Which company was that?

**Hon. Mr. Carton:** Dominion Magnesium!

Union representing employees, United Steelworkers local 4632; date of notification, January 1971; date of termination, March 1971; reason for termination, economic.

It is rather up in the air; I understand this has not really closed.

**Mr. Makarchuk:** They are negotiating a contract.

**Hon. Mr. Carton:** DuPont of Canada Ltd., Kingston; this is a Canadian company.

Number of employees affected, 170; union representing employees, Plant Association; date of notification, January 14, 1971; date of termination, June 21, 1971.

Reason for termination, if any: Slackness of the Canadian economy coupled with high import in the textile industry caused the layoff.

**Mr. Makarchuk:** Mr. Minister, on that point, did you say DuPont was a Canadian company?

**Hon. Mr. Carton:** No, it is a US firm, I am sorry.

The DuPont Company organized its own labour management and adjustment committee. A Department of Labour official met with company officials both at Toronto and Kingston and offered assistance. The company was successful in placing most of the employees.

**Mr. De Monte:** How many employees were there?

**Hon. Mr. Carton:** There were 170.

The next one is the Frontenac Floor and Wall Tile Company, this is a subsidiary of a West German company. The number of employees affected, 160, this is at Kingston. Union representing employees, United Steelworkers; date of notification, April 30; date of termination, June 30; reason for termination: Poor market resulting from lack of building starts, high tax in the United States and competition from cheaper Japanese products.

**Mr. Eberlee:** We are not sure this—

**Hon. Mr. Carton:** We are not sure this is actually going to close, there are negotiations for sale.

**Mr. Haggerty:** Mr. Chairman, may I ask the minister a question now? How many of

these companies have received loans, such as the federal and provincial loans?

**Hon. Mr. Carton:** I do not have that information.

**Mr. Haggerty:** You do not?

**Mr. Chairman:** You are asking the wrong department, Mr. Haggerty.

**Mr. Haggerty:** Pardon?

**Mr. Chairman:** You would be asking the wrong department in that regard.

**Mr. Haggerty:** I thought perhaps if he had that information he would spell it out. Some of these plants are closing down for financial reasons—additional financial assistance. How many of them applied for—

**Mr. Eberlee:** Actually, under our scheme, if financial assistance would keep them going and they qualified for it, the matter would be brought to the attention of The Department of Trade and Development, or the Ontario Development Corporation and the money would be available. But these are all cases where apparently there is no other way, no way of salvaging the situation.

**Mr. Chairman:** We should proceed with the vote.

**Hon. Mr. Carton:** General Bakeries, Amherstburg. This is a Canadian company.

Number of employees affected, 80; union was the Teamsters local 880; date of notification, February 12, 1971; date of termination, March 12, 1971. Reason for termination: Obsolete equipment; cost of replacement is prohibitive.

That is a Canadian company. Action taken by the department: adjustment committee under the Canada Manpower consultative service working on the project. A representative of The Department of Labour called on the firm and found that the adjustment procedure was operating with a degree of success.

**Mr. Eberlee:** They were all absorbed.

**Hon. Mr. Carton:** They were all absorbed?

**Mr. Eberlee:** Yes.

**Hon. Mr. Carton:** The next one is Honeywell Controls Limited, Bowmanville, 53 employees.

The date of notification, March 5, 1971; date of termination, April 30, 1971, reason



for termination: decreased export orders for key tape products.

Action taken by the department: at our request Canada Manpower consultative service contacted the company and offered assistance to the employees.

The next one is an American company, I-T-E Circuit Breaker (Canada) Limited, Weston.

Approximately 100 employees. Union, the International Brotherhood of Electrical Workers; notification, March 17, 1971; date of termination, first phase May 14, 1971-43; second phase, May 28-18; third phase, June 11-36; and then the office staff later. Reason for termination: section of plant being moved to Drummondville, Quebec.

Action taken by the department: The Department of Labour officials asked the company officials to establish an adjustment committee under the CMCS. This has been done, but as yet no figures are available as to the results.

The next one is Napanee Industries Limited, a Canadian company—75 employees; the union, USW. Date of notification, January, 1971; date of termination, indefinite. Reason for termination, the falling off of railway business caused contracts to go to larger firms.

Action taken by the department: The Department of Labour asked the Canada Manpower consultative service to establish an adjustment committee. This was done and between the committee and the Canada Manpower consultative service adjustments were made with considerable success. There is a report available on this one.

The next one is a Canadian company, Penmans Limited, Paris, Ontario.

Number of employees, 85; union is the Textile Workers Union of America; date of notification, January 13, 1971; date of termination, March 31, 1971. Reason for termination: loss of market to low-cost foreign goods.

Action taken by the department: Canada Manpower consultative service was informed that all personnel will be placed in the Brantford plant. There is a report available on that.

The next one is Smith-Corona, which is an American subsidiary; 94 employees. Date of notification, May 3, 1971; date of termination, July 30, 1971; reason for termination, phasing out of production of manual typewriters.

Action taken by the department: The Department of Labour requested Canada Manpower consultative service to set up a

committee. This has been done and the committee is now carrying on its efforts to place the employees.

**Mr. De Monte:** What is the name of that company?

**Hon. Mr. Carton:** Smith-Corona. They are importing typewriters from Japan apparently.

Society Foods Limited, a Canadian company, owned by Quaker Oats. Number of employees, 76; date of notification, January 18—

**Mr. Makarchuk:** I am sorry; you cannot just say a Canadian company owned by Quaker Oats. How is Quaker Oats Canadian? Quaker Oats is an American company.

**Hon. Mr. Carton:** It is the Quaker Oats Company that owns it which is American. It is Peterborough way.

**Mr. Makarchuk:** So it is American; right?

**Mr. Eberlee:** It is a subsidiary of a subsidiary of an American company.

**Hon. Mr. Carton:** Yes; but I think you will find that half of them—we will look at them again after I read them—are Canadian.

Date of notification, January 18, 1971; date of termination, April 8, 1971; reason for termination, economic reasons.

Action taken by the department: a representative of The Department of Labour investigated the possibility of placing some of the employees in other plants and this information was turned over to the adjustment committee. There is a report available on it.

The next one is Sterling Actions and Keys Limited, an American subsidiary, 67 employees. There was a federal union, number 24722—

**Mr. Makarchuk:** Once again I am sorry to interrupt you. You say 67; 125 would be more accurate. At least—

**Mr. Eberlee:** Notices were given to 67.

**Mr. Makarchuk:** Strange, that is the first time I heard that. That is only half of what I understand the figure to be.

**Hon. Mr. Carton:** There is a report on this. We have a full report on this one, if you want it.

**Mr. Eberlee:** The rest may still be subject to notice at some future time. Notices were

given to 67 people in accordance with the Act.

**Hon. Mr. Carton:** A representative was sent to look into the situation. A Manpower adjustment committee was set up for re-training, occupational, educational upgrading and guidance. Direct contact was made to the vice-president and general manager on several occasions by The Department of Labour representative to see if any assistance could be given. The Department of Trade and Development was contacted and asked to look into the closure to see if any financial aid could be given under its terms of reference, but this was not possible.

The next one is Uniroyal, Kitchener. Number of employees, 112; union, the United Rubberworkers; date of notification, May 14, 1971; date of termination—they are phasing out between July 9 and August 6, 1971. Reason for termination: due to the overload of the US defence orders. This company manufactured fuel cells for aircraft. Because of the reduction of the US war effort, this production is no longer required.

Action taken by the department: a representative of The Department of Labour visited the firm and made certain the regulations were adhered to. Canada Manpower consultative service met with the company officials on June 9 to discuss the formation of the committee. The larger per cent being laid off are female and they show little interest in other employment. All those laid off will be receiving supplementary unemployment benefits for 39 weeks.

**Mr. Eberlee:** That report is subject to confirmation and correction, in that last piece of it.

**Hon. Mr. Carton:** About the unemployment benefits?

**Mr. Eberlee:** Yes, that was our latest.

**Hon. Mr. Carton:** The next one is Weldwood of Canada, which is a US subsidiary. Number of employees, 96; union representing employees, UAW; date of notification, April 20, 1971; date of termination, June 30, 1971; reason for termination: supply of hardwood logs inadequate in district. Action taken by the department; on May 3 an official of The Department of Labour met the company officials at the plant office in Woodstock. It was learned that all the phasing out would be by June 30. There might be some work for some of the employees for a short time. An adjustment committee was set up by

Canada Manpower consultative service to assist the employees in finding new employment.

**Mr. Makarchuk:** Is that the 20?

**Hon. Mr. Carton:** That is the 20.

**Mr. Makarchuk:** Just a moment—

**Mr. De Monte:** I notice you did not include Mason and Risch.

**Mr. Makarchuk:** We have got 19; at least this is my score. Do you have Mason and Risch?

**Hon. Mr. Carton:** Mason and Risch are not in here. They are in another section. not in here. They are in another section. They were two companies within 50 employees.

**Mr. Makarchuk:** Oh, I see; so, therefore, it is not counted. The ones you gave us do not take into account the ones with 50 or less?

**Hon. Mr. Carton:** The ones I have read in detail are the ones that had to give notice and, in fact, gave notice. If you want to check your list again quickly, there is Abitibi, American Motors, Anthes Eastern, Automatic Electric, Canadian Gossard, Canadian Westinghouse, Cyanimid of Canada, Dominion Magnesium, DuPont of Canada, Frontenac Floor and Wall Tile, General Bakeries, Honeywell Controls, I-T-E Circuit Breaker, Napanee Industries, Penmans Limited, Smith-Corona, Society Foods, Sterling Actions, Uniroyal and Weldwood.

**Mr. Makarchuk:** You have roughly about 13 to 7. In other words, 13 foreign-owned corporations in comparison to seven Canadian. Also, I think you will find that the number of employees involved is proportionately much greater as well.

**Mr. Eberlee:** These are the employees to whom notice has been given—

**Mr. Makarchuk:** What I mean is that the number of employees working in the foreign-owned subsidiaries are proportionately much larger than in the Canadian-owned subsidiaries.

**Mr. Eberlee:** Someone was asking about Mason and Risch. There were 35 employees and the notification was in October before the coming into force of the regulation. But our notes indicate that the skills that these people possessed were in considerable demand and that the people were placed. As a



matter of fact, at March 31, all employees had been placed except three office workers.

**Mr. Haggerty:** Have you anything—

**Mr. Chairman:** Mr. Haggerty, after your question, I have a list of speakers.

**Mr. Haggerty:** Yes. I just wanted to ask a question. Have you anything on James Steel at Port Robinson?

**Hon. Mr. Carton:** Which one, James United Steel?

**Mr. Haggerty:** James United Steel.

**Hon. Mr. Carton:** That was bankruptcy. How could they give notice? They were a bankruptcy.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Haggerty:** I just wanted to pursue this. You say bankruptcy?

**Hon. Mr. Carton:** Yes.

**Mr. Haggerty:** I thought they had all kinds of work ahead of them for a couple of years?

**Hon. Mr. Carton:** James United Steel?

**Mr. Haggerty:** Yes, at Port Robinson.

**Hon. Mr. Carton:** I think you are mistaken there. They are out of business completely.

**Mr. Haggerty:** I know they are out of business, but I raised a question before. How many of these companies have obtained government assistance? Do you know what I mean?

**Hon. Mr. Carton:** We have no record of James United. I am just going from press reports that I read in the business papers.

**Mr. Eberlee:** It was a notification prior to the coming into force of the regulations. Our information that a good portion of the staff had been placed was correct.

Interjection by an hon. member.

**Mr. Chairman:** Order please!

**Mr. Eberlee:** It was not one that came under the regulation because the notice was given prior to the coming into force of the regulation. Our notes on it indicate that most people were placed elsewhere, in other jobs. I cannot give you any numbers.

**Mr. Chairman:** Mr. Pilkey.

**Mr. De Monte:** I just wanted to ask one question.

**Mr. Haggerty:** I just wanted to pursue this. In a case where bankruptcy occurred, does The Department of Labour look into it and see why? Do you ask any questions?

You do not? Why not?

**Hon. Mr. Carton:** Why it went bankrupt?

**Mr. Haggerty:** Yes, should there not be a report on this to find out why they went bankrupt?

**Hon. Mr. Carton:** Excuse me. I am just counting something here.

**Mr. Haggerty:** Yes, I am just thinking of the James Steel. You hear rumours and you sometimes question in your mind and say: "Was there a little bit of hanky panky going on?"

**Mr. Eberlee:** Since this was a case that did not fall under the regulation anyway, we could only obtain information voluntarily from the owners of the company.

**Mr. Gisborn:** Oh, well, right.

**Mr. Haggerty:** In this particular case it was an American outfit.

**Mr. Eberlee:** We do not have any information on that.

**Mr. Haggerty:** No, it was controlled by an American out in Calgary and I understand—

**Hon. Mr. Carton:** There would not be any hanky-panky going on that the trustee in bankruptcy or the creditors would not find out about.

**Mr. Haggerty:** How do you know? I mean, you know—

**Hon. Mr. Carton:** Put it this way. They would have much more expertise in finding out than anyone in my department would have in bankruptcy.

**Mr. Haggerty:** No! I brought it to the attention of The Department of Labour, I forget who it was and I asked him to check into it and find out. Some of the employees bring this to my attention and, of course, they will not put it to you in writing.

**Hon. Mr. Carton:** Again, I am only going from memory, but James United Steel was a miniconglomerate that at one time had quite a thriving business. Then they got into other things such as Rose Marx brassieres, which



they knew nothing about and they just went bust.

An hon. member: They just went bust.

Mr. Bullbrook: That was an excellent turn of phrase.

Mr. Chairman: Mr. Pilkey.

Mr. Pilkey: I just have one question.

Mr. Chairman: Yes, Mr. De Monte?

Mr. De Monte: Before Mr. Pilkey proceeds, does the minister have the number of employees employed by the American firms which closed down and the number of employees employed by the Canadian firms which closed down?

Hon. Mr. Carton: No, but I can total that up for you in a moment.

Mr. De Monte: I think it is important.

Mr. Chairman: Mr. Pilkey.

Hon. Mr. Carton: I will listen to you while I am adding. I am not ignoring you.

Mr. Pilkey: Okay. I will give you a little time.

Hon. Mr. Carton: No, it is all right. Go ahead.

Mr. Pilkey: Mr. Chairman, I think the whole question of plant closures and plant shutdowns is fairly important in view of the fact that we have somewhere in the neighbourhood of a quarter of a million people unemployed in the Province of Ontario.

I recognized when the government introduced Bill 96 that it did reflect some concern by this government with plant closures. Very frankly, the method to assist employees who are caught up in a plant closure is totally inadequate.

The minister sat there a moment ago and said: "Surely, we ought not to perpetuate unprofitable enterprises in the Province of Ontario?" Very frankly, I am not too sure whether the minister knows whether they are unprofitable or not. There is no economic justification required by these companies that lay employees off. There is no financial disclosure relating to the layoff but the minister says that a number of these plants were—or he implied that they were—unprofitable.

I happen to think that, first of all, there needs to be some co-ordination or closer liaison with The Department of Trade and

Development. Here you have that department, under the present and former ministers, handing out these forgivable loans. You have plants closing down in one area and moving to another location in the Province of Ontario, getting anywhere from \$500,000 to \$100,000 in forgivable loans and creating the very situation that you reflected a concern with in Bill 96. And it is being supported with the Trade and Development department's help.

Hon. Mr. Carton: Which one of the companies that I have given today had a loan?

Mr. Pilkey: I do not know about what you gave today, but I know when Westinghouse went from Etobicoke to Orangeville they got \$250,000. When Canada Wire & Cable went from Leaside to Simcoe they received \$187,500 from the provincial government.

These kind of loans are given out and these plants move from one location to another, which does not assist your programme in any sense of the word. I just think that The Department of Labour should make some pretty strong recommendations to their colleagues in cabinet to cease the practice of outright grants to foreign-controlled corporations and to alleviate some of this problem.

In addition to that, it seems to me that the government should be concerned with the modernization of industry. If you are talking about loans to those industries, then I think that they should be made available even to a greater extent than they are now. It may mean that those companies have to diversify their operations to take on a different kind of work, but the fact remains that you are then going to be giving some protection to long-service employees. Some employees who have been laid off as the result of plant closures had 40 to 50 years' service in these plants—anywhere from 20 to 30 years, for sure.

What have you then? You have got employees that are laid off as the result of plant closures who are aged 40 years and over and have a very, very difficult time to find other employment. I think that the government has to be concerned about that, obviously.

The advance notice that you are talking about is totally inadequate, again. I submit to the minister that most corporations know, at least six months in advance, what they are going to do in terms of closing that plant down. Surely six months' notice should

be the minimum notice which an employee receives?

In addition to that, I happen to think that they should have a right, if it is an organized plant, to collective bargaining during that period of plant closure. There is no such right if an agreement is in effect. If the company makes a unilateral decision to close the plant down there is really nothing in the legislation in The Employment Standards Act that says they have to sit down with the union at all to discuss the phasing-out of that operation.

I also want to submit that where they have to give notice, if there are more than 50 employees, it really does not come to grips with those plants that have fewer than 50 employees.

Let us face it, in the Province of Ontario where two-thirds of the workers are unorganized, the great bulk of them are working in plants where there are fewer than 50. They are unorganized workers, and are subject to the whims and the exploitation of the management in those small enterprises. And yet the legislation under Bill 96 excludes them and I happen to think that these people should be involved in a notice of a layoff or a shutdown in any plant in this province.

**Mr. I. Haskett (Ottawa South):** Mr. Chairman, I think the member for Oshawa is speaking a lot of nonsense when he tries to press for the extension of the period of notice that must be given.

I put this question to you. How many people in this country, even the most sophisticated in the manufacturing and financial coteries, had any idea that the nickel supply would move from one of short supply to one of surplus with the speed that it did? Would they have been caught in the stock market with International Nickel or Falconbridge stock that fell so fast? And those are sophisticated people.

How could the ordinary manufacturer, or the ordinary employer, know those situations more than six months in advance so they would anticipate that they would move from the place where their operations were, if not profitable at least worth carrying on, so they could give notice?

I put the question with respect to the forest industries. How many people in this country knew more than six months in advance the fact that the rug was going to be pulled out from under them with the revaluation of the Canadian dollar? And yet

there is not a forest product manufacturer in this country who has not run, you might say, from a profit position to a loss position; and it has brought about a great deal of unemployment, to the sorrow of everyone. But it was not done with the advance knowledge of the people in the pulp and paper industry, it caught them and caught everybody short.

**Mr. Gisborn:** Those you mentioned are raw material, primary, basic industries.

**Mr. Haskett:** These are large employers of people; people who today are suffering because of the lack of employment. But it is not because the manufacturer or the employer did not want to deal with his people more generously or with greater advance notice, it is just that that is not practical. I think you have to be realistic in this.

When the department moved into this Act requiring notice to be given of intended closures, I think they marked a very great forward step. And I was more than impressed with the list of companies which were giving the department notice that they were anticipating closures and giving their employees the benefit of trying to find, or to be helped to find, new employment when their existing positions ran out.

I do not think you can always blame the proprietors for closing down employment and putting people out of work. I think sometimes you have to give credit to corporations and employers who provided employment over the years. I think there are two sides to this, and while we hear about someone dealing badly with an employee after 40 years. I think you have to look at the other side of the ledger and say, "There is an employer who provided that man with a living for 40 years." I think we have to look at that side of the question too.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** Yes, well that is typical Tory diatribe—

**Mr. Haskett:** Thank God we have them providing employment.

Interjections by hon. members.

**Mr. Pilkey:** I am grateful that there are other people in the Tory party who would not advocate that kind of philosophy, that people with 40 or 50 years service ought to be thankful. I want to remind the member



that most corporations are successful as the result of the employees giving the greater portion of their lives. They owe nothing to the corporation; they built the corporation, some of them, from a very small beginning, and you do not have to tell me that the owner was the one who was responsible for it.

The service that was provided by those workers made it humanly possible for him to succeed. The worker owes nothing to that corporation. The corporation made a profit on him all through those years. Make no mistake about that! I want to say also—

**Hon. Mr. Carton:** Did you want to reply to Mr. Haskett?

**Mr. Pilkey:** Nonsense! I want to also say, Mr. Chairman, that I believe it was Eaton Automotives which set up some kind of a severance pay as the employees were about to leave that enterprise.

**Mr. Eberlee:** They bargained a settlement.

**Mr. Pilkey:** They bargained; okay! But there were some employees who knew full well their jobs were going to be phased out and did find alternative employment and they wanted to leave because the job was open. And the company said, "Oh, no. You don't leave until we tell you to leave or you put your severance pay in jeopardy." That is the compassion that company had for its employees, even though they could get jobs some place else.

**Mr. Eberlee:** I understand that was part of the deal that the union made with the company

**Mr. Pilkey:** I do not think it was part of the deal. There were employees that had other job opportunities who could not leave—if they did leave, they put their severance pay and other rights that they may have accrued in jeopardy.

**Mr. Chairman:** I think, Mr. Pilkey, you said that they bargained a severance?

**Mr. Pilkey:** Right. All I am saying is that they ought to have a right to leave when a job opportunity opens up, that these employers should not be able to—

**Mr. Chairman:** Should it not be part of the bargain?

**Mr. Pilkey:** It should be part of the employment standards of this province that if there is a plant closure an employee, if he has

another job opportunity, ought to be able to leave, Surely—

**Mr. Chairman:** Oh, that is the point you are making now?

**Mr. Pilkey:** —exactly—without losing any of the rights that he has accrued during the time he has worked for that employer. And I do not think the employer should be able to unilaterally sit back and say, "If you leave you lose the rights you accrued during the period that you have been employed." In other words, you are quitting as opposed to taking the layoff.

**Mr. Eberlee:** This is a situation, though, where the union actually made a deal with the company and this was part of the deal, this was one of the terms of the deal that the union made in that particular case.

**Hon. Mr. Carton:** Let me just read this again, I am only reading my understanding of the situation.

They have discovered that the agreement worked out between the company and the union in January covers the whole area of the adjustment of the employees to this shutdown. It provides among other thing for a severance pay scheme based on years of service, which will give some people a lump sum up to \$4,000 upon termination.

It also involves the vesting of all existing pension rights regardless of employee age or length of service. There are a number of other benefits. The total cost of this package is more than \$600,000.

The agreement is to the effect that this package, coupled with a commitment by the company to assist persons to find jobs elsewhere, or with other divisions of the company in other centres, pays off the company's commitment to the employees regarding their termination. In addition to that, they will get up to 65 per cent of their pre-shutdown wages for up to 52 weeks following the shutdown.

**Mr. Pilkey:** I understand that. All I am saying is that The Employment Standards Act should provide protection for employees who find alternative employment when they know their job is going down. Let me give you an illustration—

**Mr. Eberlee:** The problem, Mr. Pilkey, is a very practical one. You cannot keep a company going until a certain date when the shutdown is going to take place unless you have employees. So the deal was that they would make certain payments to these people



as incentives if they stayed to the end, so that they could shut down in an orderly fashion. That was part of the deal and the union made the deal.

**Mr. Pilkey:** But they did not make the deal in the sense that you are making—

**Mr. Eberlee:** Sure they did.

**Mr. Makarchuk:** It was not a deal, it was a dictate.

**Mr. Pilkey:** That was not really the deal. All I am saying is that where there are laid-off employees—and that company had employees who were laid off—

**Mr. Chairman:** Order, please.

**Mr. Pilkey:** —they could have replaced the individuals with employees who were laid off previously. All I am saying is that if this company says, "We are going to have our operations phased out as of June 30, 1971," and they notify the employees in January, and in March some fellow who knows full well his job is going to be phased out finds employment down the street, surely he should not have to stay there while other laid-off employees are available, knowing full well that he may have some difficulty in finding other employment at the end of June?

The fact that he leaves should not jeopardize any rights that he has accrued through collective bargaining or any other process that gives him some financial equity in that organization. That is all I am saying.

**Mr. E. R. Good (Waterloo North):** Are you saying that once the notice has been given a man should be able to quit without prejudice to any other right?

**Mr. Pilkey:** That is right. Without any other rights. This fellow that I am talking about was in excess of 40 years of age. He talked to me about it, and the company just bluntly told him that if he leaves—and he had another job; he said, "I do not know where I am going to find other employment if I wait this thing out. I do not know if I will be able to find another job or not."

All I am saying is that they should be allowed to leave as a matter of right and that the company should not be allowed to hold them there.

**Mr. Eberlee:** People should have the right to leave.

**Mr. Pilkey:** Yes, but not if they lose any rights that they have accrued financially.

**Mr. Eberlee:** Perhaps any additional rights that may relate specifically to the—

**Hon. Mr. Carton:** They do not lose certain rights.

**Mr. Eberlee:** —closing, but they are entitled to their vacation pay, they are entitled to their pension and all these other rights that have been running in the collective agreement.

**Mr. Makarchuk:** In most cases there is no pension plan available to them for the years or whatever it is. I know in the Westinghouse case, out of 300-and-some-odd employees roughly three or four people have some kind of pension available to them, but again it is the same case. If they leave ahead of time they will lose their severance pay, and it is not really a deal. The company has laid it on the line and the employees have to be there or else, despite the fact that they may have other jobs available that they could go to right now, and they need it.

It is a very one-sided, dictatorial thing. There is—

**Mr. Eberlee:** In these severances, though, in these closedowns, the severance pay is so often designed to compensate the person for staying to the end in order that the shutdown can be done on an orderly basis.

**Mr. Pilkey:** In this case they did not give him a lot of compensation.

**Mr. Eberlee:** I am not trying to defend any specific company here, I am just saying that we knew something about this case—

**Mr. Chairman:** Automotive—\$600,000.

**Mr. Pilkey:** Six hundred thousand dollars, I appreciate the amount of money, but there were a number of employees involved too and if you reduce it to that extent it is not such a great deal of money for each individual. As a matter of fact, while we are on that subject, it seems to me that The Employment Standards Act should be revised to provide a realistic severance pay by legislation related to tenure when these plants are closing down. I just think that makes a lot of sense—

**Hon. Mr. Carton:** That is worse than—

**Mr. Pilkey:** —that this change should come about.

**Mr. D. Jackson (Timiskaming):** Mr. Chairman, can I make one point on the severance

pay? A company might give notice they are going to close down at the end of June and expect the employees to stay until the end of June and therefore they come up with a severance pay scheme. But at the same time, at any point between the notice and the plant closing they will lay off a man; maybe two weeks after they have come out with the notice, they will lay off the man. They will reduce staff over that period.

They have the right to break their agreement. He does not have to stay until the end, so they have lost—maybe he has lost his chance for another job and will remain unemployed for a long period of time when he could have had a job, if he had the right during that period to go out and find another job—

**Mr. Chairman:** I must insist on keeping order.

**Mr. Eberlee:** On that point though, they would have to pay; the company would have to pay in lieu of notice in that type of situation.

**Mr. Jackson:** They would have to pay severance pay.

**Mr. Eberlee:** No, I say they would have to give him pay under our Act in lieu of notice if they laid the man off short of the termination date.

**Mr. Jackson:** Surely in lieu of notice though, the amount they would pay is much less than they would earn over that period.

**Mr. Eberlee:** It has to be the regular pay.

**Mr. Jackson:** There has to be some—

Interjections by hon. members.

**Mr. Chairman:** Mr. Pilkey, would you proceed please, and then we will give these other gentlemen a chance.

**Mr. Pilkey:** I have nothing more to say other than reiterate my position that I think that—

**Mr. Chairman:** Mr. De Monte then.

**Mr. Pilkey:** —the government should have legislation that compels the corporations that are contemplating a plant reduction, shut-down or relocation, to defend its actions before a government authority, and I just think then that there would be some meaningful legislation in this whole area of plant closures. I just do not happen to think that there is—that the present bill, though it

showed some concern for layoffs, really is adequate in providing the kind of protection that workers should have in this province.

**Mr. Chairman:** Mr. De Monte.

**Mr. De Monte:** Mr. Chairman, I would like at the outset to say that what Mr. Pilkey is pointing to, is the mechanized aspects of closures, shutdowns, rationalization in connection with the relationship between employer and employee; and certainly there are a multitude of practical problems that arise, the early firing or early layoff of a worker. The fact that his severance pay might be denied him if he does not conform to certain conditions laid down by the employer, and these things possibly—if we are to look at the practical aspect of the whole thing—we could resolve very quickly. But I think we have to look at the greater picture and I would like to quote to you, Mr. Chairman, a paragraph by Dr. John D. T. Deutsch, the former chairman of the Economic Council of Canada. He was speaking to the National Conference of Labour Management Relations in Ottawa in 1964. I might say that the problems we are discussing now are ongoing problems, but I submit that these problems become more serious as we get into the tremendous aspects of automation and cybernetics and rationalization. He says, in connection with these matters:

We are confronted with the problem of how to deal with displacement and dislocation, with the need for retraining, with the development of new skills, with the survival of an enterprise and the investment of new capital, with material and human losses, and with the question of how to distribute new benefits between wages, social welfare and leisure.

These are complex and rapidly changing issues which cannot be tackled successfully unless firstly, there is mutual concern and mutual recognition of the legitimate role of each party—

and I think he was referring to government, labour and management.

Second, there is a realization that neither the responsibility for nor the cost of adjustment can be imposed solely upon one of the parties or let fall upon the weak.

Thirdly, there is a comprehension of the need for objective analysis, for information, for prior study, for consultation and forward planning and for a readiness to deal with reality.



I think what he is really trying to say, Mr. Chairman, is that we have a problem and we are going to have an increasing problem in connection with the plant closures and shut-downs and rationalization of production.

I would like to also, before I go on, make a quotation—

**Hon. Mr. Carton:** Is it increasing or just ongoing all the time?

**Mr. De Monte:** I would submit that it will increase and increase, Mr. Chairman, and that with the technological changes that are going to take place, in Ontario, the one thing we must remember is that we do not have that much research going on in our country. Most of the technological research is going on in other countries, with the result that we are hit with the impact of technological changes—we will be hit with it very quickly.

**Hon. Mr. Carton:** What kind of research was done in England with Rolls Royce and now this shipbuilding firm, where they lay off 7,500 all at once, unless the government takes them over, what kind of research are they doing in those countries?

**Mr. De Monte:** Perhaps if the British government had realized right at the beginning with shipbuilding that ships are going to be phased out, no matter what happens, and that they cannot keep a dying industry on its feet.

**Mr. Pilkey:** What government was that?

**An hon. member:** They realized that when they produced the last big ship they were working on.

**Mr. De Monte:** It was the Labour Party before the Conservative Party.

**Hon. Mr. Carton:** They are coming to the Conservatives for the money now that they—

**Mr. De Monte:** I think, without getting ideological arguments, that the fact is that we as a government, no matter what government is in power, have to realize that these ongoing technological changes are going to have a tremendous impact upon society, not only in Canada, but in the world. There is no doubt, Mr. Chairman, that there are going to be 400 supranational corporations before 1980 and that, as I said in the House, these companies will probably be the super-governments of the world in the next 20 years. What I am trying to say is that we have to recognize the problem, and the people are trying

to put the problem before us, and we have to recognize it, we have to know, we have to realize that perhaps some plant operations have to be phased out like the shipbuilding industry in England. To prop them up might be hurting the economy in which these propped-up industries exist.

I am not saying, and I do not advocate, that we go into a company and prop it up if it is not making money. I do not think my friend from Oshawa is saying that. Certainly an inefficient economy will eventually destroy itself. I think it was obvious in Europe after the war in some of the economies like the Italian economy which was a completely propped-up economy and the government had to step in and do something very quickly, otherwise it would have been bankrupt.

But the fact is that we are going to be confronted with tremendous technological change and we are going to be confronted with increasing rationalization of production on a world scale. And it is obvious we have the tube production being rationalized, in my respectful opinion, to Japan. No country in the world can compete with them. We produced millions of tubes in Canada in 1956—I think it was something like 15 million tubes in 1956—today we are producing about 1.8 million. I think we will probably be phasing those out. Why? Because of technological change, and the new type of circuits that they use in TV sets, the new transistorized concept in TV.

These things, Mr. Chairman might have been solved if we had had the proper research in Canada to be able to carry out the research and produce these things in Canada. Also the fact is that the tube industry was completely owned by industries that were foreign-owned and they just rationalized the production out of their country. When we do lose jobs—and I do say “lose jobs”—it means that we have lost one job where a person can be productively employed. Simply by saying that we have been able to replace this man in another job does not really solve the problem. We have still lost that job. There is one person, in a sense, left out of that job because that job is gone. Certainly we have replaced him in another job that another person could have had.

**Mr. Gisborn:** Does the member suggest we can correct that under The Employment Standards Act?

**Mr. De Monte:** No, I am not suggesting that at all. I will go into that—



**Mr. Gisborn:** Save your speech for the Trade and Development Department.

**Mr. De Monte:** No, not Trade and Development. I think The Department of Labour must look into these problems. Perhaps under this Act, the minister can set up a meaningful body which can look into these changes; which can look into the future and see what is going to happen in connection with the industrial body in our province.

**Mr. Chairman:** You are making a point that the department should be a part of any such—

**Mr. De Monte:** I am making the point that the department should know and should not be taken by surprise when a company comes up on February 10 and says "We are phasing out our production on August 15." What the department should be in a position to say is "We know you are phasing it out because you are rationalizing it to go somewhere else. You just want to make more money. You are making a profit here, but you want to go to Japan and make more money and import the things into this country."

These are things we can know. I submit we can know. If the minister wants to say that is the purview of the Minister of Trade and Development, it might be. But somebody has got to know. Somebody should know, Mr. Chairman.

**Mr. Chairman:** Really what you are talking about is the Economic Council's place to—

**Hon. Mr. Carton:** How could you know?

**Mr. De Monte:** Let us take the committee that they have in Sweden—the tripartite government committee in Sweden, made up of government, labour and management. Before a company can close down, they go before this committee and they prove that the operation is not profitable. The committee says "Fine, close down. We will relocate these workers." But if the company says "We are trying to rationalize the production facilities we have here to go to France and then we will import the goods into Sweden," there is no way they will let them. They will say "You cannot do that. You are making a profit in Sweden, stay open in Sweden." That is what I am trying to say—

**Mr. Makarchuk:** The socialists are doing it all over again.

**Mr. De Monte:** Well, you socialists think you have had all the ideas. You have not changed your thinking since 1890 when Fabian gave you the ideas—and Marx, maybe.

**Mr. Chairman:** This is really a federal matter to some extent.

**Mr. De Monte:** No, it is not a federal problem.

**Mr. Chairman:** It is an urgent one.

**Mr. De Monte:** It is not a federal problem because when a job is redundant in Ontario the federals cannot do anything about it really. They can hand them unemployment insurance and come down with the so-called committee that is supposed to find them other jobs. That is not solving the problem, Mr. Chairman.

**Mr. Chairman:** No, but in the economic forecasting where they can establish tariff system protection and other matters.

**Mr. De Monte:** I am not talking about economic forecasting. I am talking about the future redundancy of jobs through automation and rationalization and cybernation. That is the basis—

**Mr. Makarchuk:** Why do you not be truthful and say you have got a government in Ottawa that believes in creating unemployment?

**Mr. De Monte:** I am finally getting to my friends behind me. They seem to think that all the problems in Canada are caused by the federal government. Well, that is not true.

**Mr. Ferrier:** They sure cause a lot though.

**Mr. De Monte:** I would like, Mr. Chairman, to cite to my dear friends to the rear there what the socialist Prime Minister of England had to do about three years ago. That is what I would like to cite to them. He did the same thing that Trudeau did and he did it because it had to be done.

**Mr. Makarchuk:** What kind of nonsense is this?

**Mr. De Monte:** All right, I let you talk—  
Interjections by hon. members.

**Mr. Chairman:** Order, please!

**Mr. B. Newman:** There is no unemployment in Manitoba at all.

**Mr. De Monte:** I must be getting through to them. They are great citers of what is happening in Ottawa, but what happened in England when Wilson was in there? He had to do the same thing. But they never mentioned it.

**Mr. Pilkey:** What happened to Wilson?

**Mr. De Monte:** I think that—

**Mr. A. Carruthers (Durham):** He wrote his memoirs!

**Mr. De Monte:** You know what happened to Wilson.

**Mr. Pilkey:** He followed the same policy.

**Mr. De Monte:** I get to them, you see, because I hit them right between the eyes.

**Hon. Mr. Carton:** That is the cold logic.

**Mr. De Monte:** I have not got to my quote yet.

**Mr. Chairman:** Mr. De Monte, they are waiting for your quote.

**Mrs. A. Pritchard (Hamilton West):** We are waiting breathlessly.

**Mr. De Monte:** I will hit you with it gently. The quote is from—and my friends to my left here are only interested in getting the debate over with. They are not really interested—

**Mr. Carruthers:** We are just interested in getting into it.

**Mr. De Monte:** I am teaching, like a lecturer in economics.

Interjections by hon. members.

**Mr. Chairman:** Let us proceed, please.

**Mr. De Monte:** It is a quote, Mr. Chairman by Somers, Cushing and Wynberg and the book is "Adjusting To Technological Changes." It is a book published by Harper and Row, New York, 1960. Here is what they say:

This differentiation between beneficiary and sufferer from technological change presents us with a moral as well as an economic problem. Society as a whole is by and large a beneficiary. It is morally acceptable for most of us to enjoy the the benefits of the new technologies without utilizing every possible means of minimizing the losses and assisting the readjustment of those who are not bene-

ficiaries but the sufferers. Society has a moral obligation to accept the cost of necessary programmes to this end as a charge against the benefits of technological advances.

That is the point I am trying to make, Mr. Chairman.

**Mr. Chairman:** I am glad you got back to it.

**Mr. De Monte:** They would not let me get to the point a few minutes ago.

**Mr. Makarchuk:** Mr. Chairman, shall I proceed—

**Mr. De Monte:** No, you cannot proceed. The position of my party is this, Mr. Chairman. That cybernation, automation and rationalization and all that my friends to the left here are thinking of, are the practical aspects of working these things out in the union contract. This whole picture is much larger than that.

**Mr. Gisborn:** You do not know what to think yourself.

**Mr. De Monte:** I do not think you think any time. The thing is, the point I am trying to make is that within the entire—

Interjections by hon. members.

**Mr. Chairman:** Order, please! Let us hear the Liberal Party position.

**Mr. De Monte:** The point is, Mr. Chairman, The Industrial Standards Act, as it is set out now, does not even scratch the surface in connection with the problems that are being created and will be created in this very important aspect of industrial relations.

**Mr. Gisborn:** Where do you see The Industrial Standards Act?

**Mr. De Monte:** The whole point is that when we look into the picture, we have to come up with some meaningful answers to the questions.

For instance, how do we know that the companies which close down were closing down because they were uneconomic operations? We do not know that. I noticed the minister gave a fast sentence at the end and said "uneconomic." How do we know it is uneconomic? How do we know it is not a rationalization of production to somewhere else, especially in connection with

the American companies? How do we know their vested interests have been protected?

The fact is they got them another job. How about their pension rights? How about the rights to have their pensions vested? How about the rights of the men who spend 40 years there and possibly have been thrown on the labour market without any assistance to get another job? How about—

**Mr. Gisborn:** The Pension Benefits Act.

**Mr. De Monte:** My whole point is this, Mr. Chairman, that the Act is completely inadequate for the purposes that it is supposed to be designed for. I say that you have got to set out meaningful notices, meaningful severance pay, vested rights of the pensions. My friend here mentions that Act. I think that Act only refers to pensions that have been in existence for 10 years, does it not? How about a worker who has been there for eight years, who has set up a pension or who has had a pension and has to take his pension in cash and walk away from it?

**Mr. Pilkey:** He cannot walk away from it. He cannot take his pension any more.

**Mr. De Monte:** No, that is what I say. They give him the cash and that is it.

**Mr. Pilkey:** He cannot even do that.

**Mr. De Monte:** In some union contracts there is—

**Mr. Pilkey:** The government does not allow it.

**Mr. De Monte:** How about the other aspect of the situation? How about the worker who is thrown on the welfare rolls and becomes a public burden? How about that aspect of the situation? That is not covered in the Act. The minister mentioned the reduction of the burden of adjustment. Certainly, we would like to reduce the burden of adjustment, but simply by giving him notice we do not reduce the burden of adjustment.

The other aspect of the situation is how many jobs are we really losing? And we are losing jobs because when we replace the job that the displaced worker has, it means that another worker cannot take that job. There is no job there to take. We have reduced the number of jobs in the industrial complex of Ontario.

**Hon. Mr. Carton:** We are creating new jobs every year.

**Mr. De Monte:** We could be creating more jobs every year.

**Mr. Gisborn:** To take care of the ones we lose.

**Mr. De Monte:** That is right. The minister says that there is a decline in the demand for products. Well, should we not know about this decline? Through research should we not know that there is going to be decline—in the demand for tubes, for instance, change of taste, technological change?

He cites all these tariff changes. We know about these things. We should know about these things and we should be able to direct our attention and our actions to saving these jobs if possible. If it is an uneconomic operation, shut it down, but there are many operations that are shut down that are completely economic and viable and they are just moved out of the province.

How about the four-day week, in order to stop, to prevent some workers, from being laid off. Instead of some workers working five days and some workers working no days, how about introducing a four-day week for all workers, or a three-day week, so that we do not have all these tremendous layoffs and put the people on the welfare rolls?

**Mr. Makarchuk:** They are proposing a 40-hour week in Ontario.

**Mr. De Monte:** I advocated the 40-hour week in my opening speech. You should have been here to listen to my opening speech and you would have learned something about it. I do not have any more to say, Mr. Chairman, except that perhaps I would ask the minister to look into this whole question of closures more closely and see if he can come up with some real answers to the problem.

**Mr. Chairman:** Mr. Minister, do you want to make some comments on the two critics?

**Hon. Mr. Carton:** No, I think we will listen to them all. I would like to make this general comment, that basically what both of the members in their capacity as critics have pointed out really relates to The Department of Trade and Development more so than The Department of Labour, much of it.

**Mr. Chairman:** Mr. Makarchuk.



**Mr. Makarchuk:** Mr. Chairman, I was glad to hear the Liberal policy. As usual, it is one of these little Band-Aid sops they throw away in ad hoc situations, you know. That is the policy number 77, I presume, or 78, I am not sure whereabouts, but a policy for every situation and a situation for every policy.

I think one of the points we should make very clear here, Mr. Chairman, is the fact that in the civilized western world there are only two countries right now who really have an unemployment problem and the two countries are Canada and the United States.

Both countries—now somebody said, “Oh,” and I would like him to tell me where they have an unemployment problem. Where else is the problem as great as it is in these two countries?

**Mr. Carruthers:** In England.

**Mr. Chairman:** Britain and France.

**Mr. Makarchuk:** What is the actual unemployment rate in England then?

**Mr. Carruthers:** Pretty high.

**Mr. Makarchuk:** What is it? Give us a figure.

**Mr. B. Newman (Windsor-Walkerville):** About 3.4 per cent.

**Mr. Makarchuk:** Yes, it is 3.4 per cent and if we got 3.4 per cent unemployment rate in Canada, we would say we have an economic miracle. Now, if we could—

**Mrs. Pritchard:** What about the difference in the population?

**Mr. Makarchuk:** We are talking 3.4 per cent of the work force. I hope you realize that, when they give the figures.

**Mr. B. Newman:** I could have used any figures and you would have repeated them.

**Mr. Makarchuk:** No, but that is the figure.

**Mr. Chairman:** Employment standards, Mr. Makarchuk, please.

**Mr. Makarchuk:** Yes, and the point we have to get sort of clear in our minds is the fact that the two countries which have an unemployment problem are the countries who are stuck, or who have an ideological hangup, about government being involved in the economy, about the government managing the economy, to ensure that there are jobs for people all the time. That is the basic

problem, and all your little amendments to The Labour Standards Act and all your little things may help to ease the pain for some people sometimes, but it will really not resolve the problems of frustration, of anguish, the problems which cause the leading of lives of quiet desperation that a lot of these people lead.

I was talking to the people at Westinghouse. They held a dance to celebrate the closing of the plant, believe it or not—it was a wake—last Friday, in Brantford. There were over 300 of them and you talk to these people that have been there 20 to 30 years and they have absolutely no idea of where they are going to go or what is going to happen to them and what their future will be. As was pointed out, perhaps you could almost say they are too young to die and too old to really live. This is the kind of a situation it really is.

In this particular case, Mr. Chairman, we have a multi-national corporation which decided unilaterally, without consulting the government, that it will close down its plant. We went to The Department of Trade and Development and the deputy minister was at that meeting. Of course, there was the usual pleading and the usual, shall we say, condescending remarks from the officials of Trade and Development—“Yes, we are going to do great things. We are going to examine this thing.”

I must admit that the deputy was very realistic when we asked him what he was going to do. He said, “We are going to see what we can do for these people who will be unemployed.” In other words, he had no illusions in his mind. He was quite honest. He knew the plant was going to close and he knew that these people would be out of jobs.

The officials from The Department of Trade and Development were not quite that honest. They did try to put on the act that they were going to do something, when in fact they did absolutely nothing.

Ordinarily, this same corporation, if Westinghouse was working in Germany, or France, or Holland, or Denmark, or Sweden, and they decided to close their plant down on such short notice, they would not be permitted to do that.

**Mr. De Monte:** I just told you that.

**Mr. Makarchuk:** Sometimes there is a little grain of truth in the—

**Mr. Chairman:** Please, no interruptions.

**Mr. Makarchuk:** But the point is, as was pointed out earlier by the previous Minister of Transport (Mr. Haskett), you cannot expect a corporation to know ahead of time or six months ahead of time what is going to happen. If you look into the corporations, listen to how they operate, the large sophisticated corporations like Westinghouse or General Motors, or International Nickel, or the forest products industry, you know they have a very good idea of what they will be doing a year from now, what they will be doing two years from now.

**Mr. De Monte:** Especially when the are rationalizing their production.

**Mr. Makarchuk:** Yes, they have a very excellent idea. They are doing the planning ahead of time. What we are saying here, Mr. Chairman, is that it is about time the government should also start doing the planning on behalf of the people ahead of time.

If I asked this government or the government in Ottawa what will be the state of our economy two months hence, they could not give you a definite answer. But if I asked General Motors what their return on their investment, or on their cars, will be in 1973, or 1974, or 1975, they can give me a fairly accurate figure, if they care to divulge these figures. But they do have a very accurate idea of what is going on.

It is not the case that the technology is lacking. The corporations are using it.

The countries in Europe are using the technology to ensure that there is no unemployment. If you look at last Friday's *Globe and Mail*, you will see unemployment in Switzerland was something like .0015 of one per cent. Here you have a country that has minimal resources, or absolutely none in comparison to what we have and yet it manages to provide that kind of society that not only has a higher standard of living than we have but ensures that there is work for its people. And the difference, of course, is that you have government involvement in the functioning of the economy.

On some of these plant closedowns—take Westinghouse as a good example—you know, the least the government could have done is examine whether Westinghouse was really telling the truth about the fact that they had a loss. There was a statement put in by Westinghouse to The Department of Trade and Development from Clarkson, Gordon saying that the plant operation in Brantford

showed a loss—I am not sure of the figure but it was either \$600,000 or \$1.6 million.

The point is, with a branch plant operation it is very difficult to assess. The branch plant is in a very ideal situation for it can charge to its parent corporation things like royalties, management fees, consultant fees, and so on. These are paid to the parent corporation but are charged against the Canadian corporation as a loss, therefore the Canadian operation is losing money, but the parent corporation is making a very nice neat little income. And this department, or The Trade and Development Department, or The Department of Revenue, or Financial and Commercial Affairs at this time do not use the power they could have to try and ensure that they have that kind of information so that you could sit down with Westinghouse and go over their books and know exactly whether Westinghouse is telling the truth. It would be very interesting to find out the Westinghouse situation; how much money was tied up in the pension plans for the employees. Outside the two or three or four individuals who will get pensions, the money that was set aside for pensions will now go to the company—will remain within the company pension fund.

These are some of the important aspects of the company's operation that the government should know before it just sort of blandly goes along and lets Westinghouse decide what it is going to do. All I am trying to stress here is that this government is supposed to be running the province, not Westinghouse.

The same situation with Sterling Actions and Keys: they are tied in with Mason and Risch in Scarborough. Perhaps we could have looked at it to see if there could be some rationalization between the two plants, a consolidation; this government should have done that kind of work but again there was nothing done in this. I have stressed this before, but I just thought I would drive it home here that there are things that can be done to ensure that there is employment, and full employment, for the people of this province, but it is not going to be done as long as you have the kind of government either provincially or federally who are not prepared to take an active hand in the functioning of this economy. And we want to make that point and we want to make it very, very clear.

And again, this rather stupid statement that is being peddled around the country that we are fighting inflation; that in order to fight inflation you need unemployment and so on.



If you look at the European countries you find that West Germany, as an example, has supposedly a very high rate of inflation which runs between 4.5 to 5 per cent a year but it has an overemployment problem. If you look at Sweden or look at France or look at Britain and so on, you will find that they do not have that serious inflation problem; their inflation problem is very much on par with what it is in Canada, but they have full employment. And you do not fight the problems of the people by taking the burden off the shoulders of the rich and putting it on the poor, and that is exactly what this government is doing.

Mr. Chairman: Vote 1006 carried?

Mr. W. Ferrier (Cochrane South): Mr. Chairman, I have a question which deals with loss of wages, and so on. It is about a fellow from Hearst, his name is Wilfred Proulx and I am not altogether satisfied—

Mr. Eberlee: Wilfred Spooner, was it?

Mr. Makarchuk: Wilfred Spooner, right!

Mr. Ferrier: Well, he lost his wages back when.

Mr. Chairman: Proceed, Mr. Ferrier.

Mr. Makarchuk: May I make one more point on labour standards, Mr. Chairman? The people who worked in the Brant riding, in the Brant by-election for the Tory party, were promised \$10 a day, which was below the minimum wage. Further, a lot of them are now complaining they have not received their pay. I wonder if this is within the purview of the labour standards branch or not?

Hon. Mr. Carton: It is a love of labour.

Mr. Pilkey: It is a labour of love.

Mr. Makarchuk: No, it was not, they were hired. These were people specifically hired and this is why they came to me and complained about it.

Interjections by hon. members.

Mr. Makarchuk: Well, I am not sure just where to go.

Mr. Chairman: Mr. Ferrier has the floor.

Mr. Ferrier: Mr. Chairman, I would like to go ahead with this if I could.

This man worked for the Waverley Hotel in Hearst. He made application to the employment standards branch and they went

in and carried out an investigation and they made an assessment against this particular employer, I am not sure how much, it was about—six hundred and some dollars anyway—and he was supposed to get this money. For some reason the department did not collect it, and he was given a cheque for \$53.01, and then there was another cheque for \$624.35. It was later established that they thought that this was a forgery and the fellow was out of this money.

The department suggested that it could be taken up and it was put into the hands of the provincial police; and I wrote to the provincial police, I wrote to the Crown Attorney, I wrote to this department, and they did not seem to have sufficient evidence, the last time I talked to this man, to go ahead with the prosecution. So the guy is out six hundred and some dollars.

He maintained that there was a period in 1968 where he was out \$25 a week for 16 weeks and he maintained there was a further period where the man worked about 72 hours a week and he was paid \$76, which was well below the minimum wage.

The department investigated and said it beyond the six-month period. I think it was first brought to their attention before the six-month period, but at the time that I had written and they further pursued it, it was beyond the six-month period.

Originally when he was not getting his money the man drove from Hearst a way down to Sault Ste. Marie, which is a terrific distance and a great expense for a poor man. He came down to see me in Timmins on about three occasions and I just do not think the department guaranteed the rights of that man.

He is an ordinary citizen with probably not too much education, and he worked for a kind of sharpie, probably, who thoroughly took advantage of him.

While I am pleased that the department was able to make this assessment I do not know why on earth the department never got the money from the hotel man as they do in many other cases, and why this fellow has had to wait and wait and because of a forged cheque. He has probably had to pay income tax on this money which he never got, and he is mad as blazes at that and I do not blame him one bit.

But I think there has got to be some more efficient way of dealing with a poor fellow like this, rather than have him kicked around from pillar to post, and having put in those



hours not getting paid for a lot of them, and to be out of this money and just feeling that there is nobody there to really help him or back him up. I do not know whether now it is too late to do anything, but I would like to urge that a further report be got on this gentlemen to see if in any way at all this could be brought to a satisfactory conclusion.

**Hon. Mr. Carton:** I do not know about the case myself.

**Mr. Eberlee:** We would not necessarily know because I suppose we have three or four thousand clients per month and there are apt to be—

**Hon. Mr. Carton:** We have collected, what, over a million and a half dollars—

**Mr. Howard:** During the first four months.

**Mr. Ferrier:** I mean, I commend the department; in the main there is excellent work done and it is wonderful—

**Mr. Chairman:** I wonder, Mr. Ferrier if you have some correspondence there, if you will make it available to one of the gentlemen here.

**Hon. Mr. Carton:** We will get a report.

**Mr. Ferrier:** I have written about it and if they need any further information I will be glad to provide it.

**Hon. Mr. Carton:** When did you write, Mr. Ferrier?

**Mr. Ferrier:** I wrote to—I received a copy of a letter from Mr. Eberlee on January 14, 1971, it was the last time I heard.

**Mr. Eberlee:** I thought the name rang a bell with me. Mr. Howard says he has some information.

**Mr. Howard:** Mr. Chairman, I have not got the exact details but I believe this was the one where the cheque was a possible forgery and Mr. Proulx's signature was sent to the forensic science section for checking. I think we asked for a series of signatures to determine whether it was his. These were not forthcoming at the time. Now I will go back into this and look into it again. We carried that as far as we could and we do have a copy of the so-called forged cheque and from a layman's—

**Mr. Eberlee:** Was this the case, Mr. Howard, where it was alleged that the cheque had been cashed?

**Mr. Howard:** This one was a forgery that was assigned, there is a cashed cheque involved here.

**Mr. Eberlee:** It was maybe a forgery.

**Mr. Howard:** I think you are thinking of the other one. There is one named Roy up there too, which was cashed by the wrong Roy, but that was grabbed through the bank. But this one here is—the signature would appear to be correct. It looks like Mr. Proulx's signature, and the forensic science people, before making a final decision on it, wanted a whole series of signatures, I think some 20 signatures, under witness before they would even make a decision on it. I will look into it again, though, and give a report to you.

**Mr. Chairman:** Mr. Carruthers?

**Mr. Ferrier:** Maybe if you could even do that through the provincial police and get the thing finally settled.

**Mr. Chairman:** Mr. Gisborn?

**Mr. Gisborn:** Yes, I want to get some information on two or three questions. In regard to the lay-off procedures, if we take a case of an employer giving a man with enough service that demands a six weeks notice prior to lay-off—

**Hon. Mr. Carton:** This is an individual lay-off?

**Mr. Gisborn:** I want to get clear in my mind how it operates. He gives the notice and tells the employee, "six weeks and all your services will be terminated" in the Act that is okay. During the six-week period things look brighter for the employer and on the date the lay-off becomes effective he says to the employee, "I am not going to lay you off, you can stay on, but I will give you six weeks' more notice". How does this operate? What happens if he changes his mind at the end of the six-week period?

**Mr. Howard:** Mr. Chairman, the notice has been given that the employer can request the employee to work a further similar period. For instance, if six weeks' notice is given he can work a further six weeks without notice. But if he works beyond that second six weeks, then he must get new notice. I think what Mr. Gisborn is referring to is where perhaps there is continual type of notice being given; this has occurred on the odd occasion, but not too often.

**Mr. Gisborn:** But it does leave a funny situation where an employer—

**An hon. member:** An employee is living from notice to notice.

**Mr. Gisborn:** —is undecided and trying to protect himself.

**Mr. Chairman:** It could be that the employer is living from day to day.

**Mr. Eberlee:** It is also possible to give conditional notice, of course, conditional upon some event or other taking place or not taking place at some point in the future.

**Mr. Chairman:** Mr. Newman.

**Mr. Gisborn:** No, I am not finished, Mr. Chairman. I have two or three questions I want cleared up.

I think that area of the Act should be watched for experience, and I think it should be closed up. There is one—it is either garnishees where there is prohibition against dismissal—

**Hon. Mr. Carton:** For dismissal for garnishee.

**Mr. Gisborn:** How about wage assignments? It does not cover wage assignments. I wonder why?

**Hon. Mr. Carton:** Our other legislation does. We brought in something, did we not?

**Mr. Howard:** You cannot assign—

**Hon. Mr. Carton:** You cannot assign. There is no further—

**Mr. Eberlee:** It is under legislation administered, I believe, by the Attorney General under The Wages Act. That was brought in last session.

**Hon. Mr. Carton:** We brought it in last year. I am not sure of the Act.

**Mr. Gisborn:** It is in your Act. It is in your Labour Standards Act, but it only covers garnishees. It does not cover wage assignments.

**Hon. Mr. Carton:** There is no need to. Because of the other legislation, there is no need for it to be in our Act.

**Mr. Makarchuk:** Unless it is a retroactive wage assignment; in other words, a wage assignment that was entered into before the legislation came into effect because the legis-

lation was not made retroactive, in which case it may apply.

**Mr. Gisborn:** Well, that is fine; that clears that up. I notice in your report that during the 1970 calendar year 9,465 employees were in debt and \$2,533,681.67 was collected on behalf of 60,545 employees under various Acts and regulations administered by the branch. Then, of course, we have the information that tells us what happened during the first five months of 1971.

That is a lot of money. It is commendable that the department is doing the job in retrieving moneys owing to the employees. It must involve a lot of work, checking and a lot of cost.

How do we retrieve any fee for this service? I traced it; I checked the revenues of the department and all we show as being received in revenues for penalties was some \$2,023.

**Hon. Mr. Carton:** This was brought in last year, was it not? The 10 per cent penalty was brought in just last year, and therefore it would not really have had much effect yet.

**Mr. Howard:** Yes, on October 1 the penalties were assessable on collections subsequent to October 1, on amounts owing.

**Hon. Mr. Carton:** Ten per cent to the employer.

**Mr. Gisborn:** Has this any tendency to remove a conviction attempt? Are we letting it rest at the penalty fee? You know, if we do that it becomes then just a licence.

**Mr. Eberlee:** That is the reason why we brought in the 10 per cent penalty. In the past you went out and you discovered that there had been an underpayment and all the motivation appeared to be quite Simon Pure. But that then became almost a licence, so the 10 per cent was added in order to make it—

**Hon. Mr. Carton:** In addition to that there are prosecutions.

**Mr. Eberlee:** Not very many. There is prosecution only where we cannot collect.

**Hon. Mr. Carton:** But they are still afraid of the prosecution, notwithstanding the 10 per cent.

**Mr. De Monte:** On the prosecutions, is there a fine, and/or jail sentence, or just a fine levied?

**Mr. Howard:** It could be a jail sentence if they do not pay the fine.

**Mr. Gisborn:** I just want to take a minute or two to get the minister's opinion on the application of the minimum wage. I have raised the question with previous ministers. I believe when I raised it with the previous minister as to when he was going to consider an increase under the functions of the department, he told me that they had under review the impact of the last increase of the minimum wage to see what effect it was having upon the economy and the plants that were affected by it.

I raised the question with the present minister and he again said we have this under review, and I took it that the same review was taking place as to what impact minimum wages have on the economy, as to whether it could stand another boost in Ontario.

It is obvious in my opinion that the increases in the federal Act that covers those employees under federal jurisdiction, now are 10 cents in advance of that in Ontario, and I wonder why we have not moved in that direction immediately.

**Hon. Mr. Carton:** The \$1.65 just came in on April 1.

**Mr. Gisborn:** I know that, yes.

**Hon. Mr. Carton:** There is a survey being done on that more recent increase as to the impact of the minimum wage legislation.

**Mr. Gisborn:** There is no record of the survey done by the previous minister when we questioned him about the previous increases, when it moved from \$1.30?

**Hon. Mr. Carton:** I am not sure when you asked him. Mr. McKinley is here.

**Mr. J. R. McKinley (Director of Research):** There was a review completed, oh, approximately July last year—I think I am correct in the date—which brought on the recent increases in the minimum wage, and we are in the field in the last two weeks working on the next review. We should be getting some documents out on that in the late summer, I think.

**Mr. Gisborn:** What in the world are we trying to find out in the review; what is the objective? That is too much, that it might be driving the employers out of business?

**Mr. Makarchuk:** That is a convenient excuse.

**Hon. Mr. Carton:** Believe it or not, I get letters to that effect.

**Mr. Gisborn:** I have searched my thoughts to try to find out why we should be so concerned. Right away, when the federal government raises it to \$1.75, and it covers those under federal jurisdiction.

**Hon. Mr. Carton:** That is July 1. That is not in effect yet, it is July 1.

**Mr. Gisborn:** April 1, was it not?

**Hon. Mr. Carton:** No, July 1, I think it is for the federal, \$1.75. It is still the same as ours presently, but it goes up 10 cents July 1.

**Mr. Gisborn:** Then I think we should consider that. It right away hit me—why are we going to have second-class workers in the Province of Ontario?

**Hon. Mr. Carton:** They are not really second class. I think I pointed out the other day that you are dealing with a different cup of tea really when you are dealing with the federal jurisdiction over employees, because they have about 500,000 employees and, compared to our particular economy, a very sophisticated group of employees as opposed to the three and a half million we have spread out over hundreds and hundreds of industries. There is a very much different impact.

**Mr. Gisborn:** Surely we would not have any more than that who would be getting the minimum wage? You are talking about the total work force.

**Mr. Eberlee:** No, but in certain industries the minimum wage has quite an impact—the retail trade, hotels, motels, the catering industry.

**Hon. Mr. Carton:** They are only dealing with banking and railways.

**Mr. Gisborn:** That is kind of a shame; this makes it worse for people who are working in those industries. I am not making any excuses for the miserly federal government, but certainly in the whole reason for attempting to bolster the economy and our purchasing power is to give these people more money, because a big argument now in the social welfare field is that the working poor are just as big a problem as those who are on direct welfare payments. This is where we should be moving and certainly this is justified.



**Mr. Chairman:** I wonder, Mr. Gisborn, if you have any idea how many workers would be affected by the minimum wage in the federal jurisdiction, or would the department know this?

**Mr. Gisborn:** I would not know.

**Mr. Chairman:** I would think it would be a small proportion.

**Mr. Gisborn:** But I would think this department should be able to tell me that.

**Mr. Chairman:** It would be a small part.

**Mr. Eberlee:** It is a small proportion of the 500,000 work force of the federal government.

**Hon. Mr. Carton:** Also, as you can appreciate, when you bring in a minimum wage—for example, suppose I am earning \$2 an hour as an employee and someone is working alongside of me; maybe he is not in the same category, but he is earning \$1.50 or whatever it may be and it is raised to \$1.65. Immediately I want \$2.15, and the fellow earning \$2.15 wants \$2.30. It is not just a case of increasing the minimum wages; but it is the case of it escalating all the way up the line.

**Mr. Gisborn:** Well, that is the general trend of wage improvement through negotiations—the hedgehopping, as they call it, or similar words. I do not think this relates at all. I think we have to look toward a higher minimum wage in this province if we are going to accomplish any of the things. What bothers me is that I read on your page 34 that:

The branch is responsible for the administration and enforcement of The Employment Standards Act, 1968, which came into effect on January 1, 1969. The Act provides protection particularly to that segment of the work force that has little or no bargaining power. This group includes recent immigrants who are not familiar with our wages or our language, native people who are new entrants to the work force, the old or the unskilled, home workers and those outside the trade union movement.

These people are especially susceptible to exploitation and their right to share in the affluence of our society and work under conditions which more closely reflect community standards is a prime consideration in the efforts of this branch.

**An hon. member:** Who said that?

**Mr. Gisborn:** This department. This is in a department document. In no way does that \$1.65 carry out the pronouncement.

**Mr. Makarchuk:** He can draw more on welfare.

Interjections by hon. members.

**Mr. Gisborn:** I would ask the minister to read that and try to buy it when he starts to consider the adjustments in the minimum wage, and I think things follow in the other areas.

I remember pleading with the then Minister of Labour (Mr. Rowntree) some years ago, about reducing the maximum hours of work to 40 hours. He agreed with me but he said, "Right now, we have a recession." This was around 1958. When we were on the pickup—we had a high employment rate, that is—he said, "While we have got a high employment rate, there is no time. When we start to go down, then it would merit consideration." Now is the time.

**Hon. Mr. Carton:** We are just starting up again now, though.

**Mr. Gisborn:** We are starting up again. Well, I would hope so. But we could give it a lot of help by reducing the maximum hours of work to 40 hours. Let us catch up in the province. I know that the deputy minister may say that the average now, I guess, is 44 or something—

**Mr. Eberlee:** It is certainly in that vicinity.

**Mr. Gisborn:** Yes. But still they had the 44-hour maximum in other provinces. Others have 42, but then their average becomes something lower. It has a tendency to create work. I think we have got to start and look at some of these provisions that come under this department in that area. I think the most important is to uplift this minimum wage to a realistic figure, crowding \$2 an hour. Let us not worry about the federal government's problem. Let us do something in this regard.

**Mr. Chairman:** Mr. Newman.

**Mr. Pilkey:** Forty-eight hours is almost mediaeval.

**Hon. Mr. Carton:** I am doing 80 or 90 myself.

**Mr. B. Newman:** Mr. Chairman, I want to bring up the problem of an individual work-

ing for an industry being injured on the job, receiving a disability pension as a result of the injury and no longer being employable in the industry in which he received the injury, requiring specialized type of work now because it happened to be an amputation of part of a hand.

**Mr. Chairman:** How do you relate this to—

**Hon. Mr. Carton:** It is on the minimum wage he is talking about.

**Mr. B. Newman:** Yes. How does the man protect his pension? He now finds himself employed as a plant protection man for another industry but his disability pension is cut off. Should industry be allowed to do that?

**Mr. Eberlee:** This is a compensation pension?

**Mr. B. Newman:** Yes—no, no, not workmen's compensation. He has worked for the company for 19 years and as a result gets sort of an early retirement with a pension. Now simply because he transfers employment—getting only \$68.03 a month pension, naturally he is going to have to find some other type of employment to be able to survive—he manages to get employment where all he wears is a uniform and is sort of a protection official in watching employees coming into a manpower programme, now he finds that because he happened to have accepted the job offer he has his disability and early retirement pension cut off.

**Hon. Mr. Carton:** It does not make sense. Have you got his name?

**Mr. B. Newman:** I do not want to call off his name but I will give you the information.

**Hon. Mr. Carton:** No, of course not. You speak to me. It just does not make sense to me.

**Mr. B. Newman:** Right. It did not make sense to me when the man came down to see me.

**Mr. Chairman:** Vote 1006 carried?

**Mr. Makarchuk:** Mr. Chairman, I have got three or four little questions. Can the minister, at this time, give us the figures on the number of employees in the American versus the Canadian companies?

**Hon. Mr. Carton:** I thought you were going—

**Mr. Makarchuk:** We do not want to, after all that effort you put in.

**Mr. Chairman:** He had a hard time adding this up.

**Hon. Mr. Carton:** Canadians approximately—and these are subject to inadequacies—Canadians approximately 651. The German one was 165. The Americans were 1,592.

**Mr. Makarchuk:** That is quite a telling figure.

**Mr. De Monte:** Quite revealing.

**Hon. Mr. Carton:** About 65 per cent.

**Mr. Makarchuk:** Very telling.

**Mr. De Monte:** Seventeen hundred and fifty-seven.

**Mr. Makarchuk:** I just want these for The Department of Trade and Development really. We will discuss this with Mr. Grossman. And incidentally I want to pat your labour standards people who do the collecting—I have had very successful, very good co-operation with them—I publicly would like to pat them on the back for the job that they have done because they have certainly resolved some rather difficult problems for me.

But the other point I want to raise here is, what extensions have been granted this year? In other words, what is the maximum number of hours of work allowed in the construction industries and in the canning industries?

**Mr. Eberlee:** There is no restriction on the hours of work in the construction industry. There never has been.

**Mr. Makarchuk:** I thought you had a regulation limiting it to 55 hours a week?

**Mr. Eberlee:** They are entitled to unlimited overtime, but under our regulation of course they must pay time-and-one-half after 48 hours in the general construction industry. It is another set in the sewer and watermain area.

**Mr. De Monte:** How about the ones after they get a permit, Mr. Chairman?

**Hon. Mr. Carton:** A work permit? That is a different thing.

**Mr. De Monte:** The construction industry does not have to have a work permit?

Hon. Mr. Carton: They do not have to have a work permit.

Mr. Makarchuk: The point I am concerned with is that they would average it out. The company would work the people, say, 70 hours one week and then work them 30 next week and they will average it out for 50 hours in two weeks and pay them on two hours overtime. In the States there is this kind of complaint developing in some places.

Mr. Eberlee: The only area where that happens is in road building where it is seasonal and there is a make-up time schedule.

Mr. Makarchuk: Right, right. This is what I was referring to. But you have allowed them to do this?

Mr. Eberlee: In road building, yes.

Mr. Makarchuk: I think that is not quite right, we will just be mild and say that is not cricket.

Mr. Eberlee: That is based, actually, on the collective agreements.

Mr. Makarchuk: No. In many of these cases there is no collective agreement.

Mr. Eberlee: There are in Toronto, Windsor, Hamilton, Ottawa.

Mr. Makarchuk: Well, in the rest of Ontario and most areas there are no collective agreements. You are dealing with just the casual labour, students, and so on, just picked up and hired from the street. Have there been any limits put on the hours of work in the canning industry?

Mr. Eberlee: They are subject to the 48 hours and to the permits being issued.

Mr. Makarchuk: Up to how high are permits issued? Up to how many hours a week?

Mr. Eberlee: There is a permit for 100 hours and then there is a second permit in emergency situations. Up to 100 hours in a year, I should say.

Mr. Howard: Yes, there is the seasonal worker too, who works up to 55 hours.

Mr. Eberlee: This is overtime?

Mr. Howard: Overtime, yes.

Mr. Eberlee: They can get a permit to work beyond 48 hours but they must get overtime at time-and-a-half after.

Mr. Makarchuk: Yes, but what is the maximum number of hours they are allowed to work in a week, taking overtime into account?

Mr. Eberlee: If it were a seasonal job entirely, say they were hired for just July and August to process a seasonal crop, they could work 48 hours, plus 100 hours of overtime and that 100 could be—

Mr. Makarchuk: For the two months?

Mr. Eberlee: For the two months, yes.

Mr. Makarchuk: I see; so you could end up working up to 70 or 80 hours a week, I suppose.

Mr. Eberlee: It is conceivable, yes; on the tomato crop.

Mr. Makarchuk: Again, Mr. Chairman, do you really think that, outside of the fatigue factor, and there is the safety factor involved, this is a reasonable behaviour on the part of the department to give those kinds of extensions and, also, in view of the fact that we do have an unemployment problem, I am sure you would not quibble over that.

Mr. Eberlee: You are dealing here with a seasonal industry, of course. These permits are granted for seasonal work.

Mr. Makarchuk: Yes; but I have to face people who come and complain to me and say, "We know so-and-so and he is working for so many hours overtime and everything else, and here I am trying to find a job."

Then I have to explain to them and say, "We have a Conservative government in power that does not give a damn about you." That sort of resolves the problem right there.

Mrs. Pritchard: And they believe you?

Interjections by hon. members.

Mr. De Monte: Why is it that they do not hire, say, two people at 45 hours a week, instead of one person working such long hours?

Mr. Eberlee: Because it may very well be that that does not fit the schedule that is operating. Let us say they are canning peas, or something; the peas are coming in from



the field. You cannot bring them in all night, but you can bring them in, maybe, over a stretch of 12 to 15 hours. You cannot break that into two shifts. You cannot get people to work two shifts of seven hours each, or seven and a half hours each. So the only alternative is to—it depends entirely upon the structure of the firm and the product. This is not an area where we get too many complaints—this seasonal food processing area.

**Mr. Carruthers:** Mr. Chairman, weather conditions throughout the season have an effect. The member for Brantford (Mr. Makarchuk) was speaking about 70 hours and then 30 hours, but there could be several days of rain or something else which could hold the job up, and they would try to catch up on that.

**Mr. Makarchuk:** I was not concerned that much in the road construction industry that perhaps they would work 70 and then 30, but what would happen as far as overtime payments would go. The construction company would then average out the period over two weeks. Although they may have worked 70 hours in one week, and would ordinarily have been entitled to roughly 20 hours of overtime pay, they end up possibly getting two hours of overtime pay. This is the concern, and I think this should be stopped. They should put a stop to that, but the overtime should be calculated on a daily or a weekly basis, and not on the averaging out.

**Mr. Eberlee:** This occurs where in one week there is very little work because of rain, or something. The idea is that over the two-week period it would work out, or something.

**Mr. Makarchuk:** But you must admit that the philosophy of overtime is not related to averaging it out over the year or over a period, that you average it out over a minimum pay period.

**Mr. Chairman:** Mr. Jackson, on this point.

**Mr. Jackson:** Yes, Mr. Chairman, just one point. Though a person does not want to work overtime in many of the industrial situations, he is forced to by the employer who feels he can get a little more out of that man, for his own reasons, but the man does not have any right to say he does not want to work overtime.

**Mr. Eberlee:** Oh yes, he does.

**Hon. Mr. Carton:** I believe that, yes, he does.

**Mr. Eberlee:** Under the Act he can refuse to work overtime beyond 48 hours, except that there may be a collective agreement in which the union has authorized the employer to schedule such overtime. Mr. Pilkey and I have had numerous discussions on this point.

**Mr. Jackson:** Mr. Chairman, if the union agreement calls for a 40-hour week, according to the way the Act reads, he can be forced to work that extra eight hours.

**Mr. Eberlee:** Oh, yes, the Act is—

**Mr. Jackson:** Once again, it defeats the purpose of our trying to get a 40-hour week in many places. Say that we negotiate the 40-hour week, then we find, because it suits the employer's purpose, the man is working a 48-hour week. Surely the reason for negotiating a 40-hour week is to provide more employment?

**Hon. Mr. Carton:** A lot of the employees seek this overtime.

**Mr. Jackson:** That is quite true, but you also cannot refuse it. I have been into this situation myself where the employer says "work", and you work. You have no choice. When the collective agreement says a 40-hour week, then that should be the work week. That is the way the Act should read and not say that they can work them into the extra eight hours.

**Mr. Chairman:** Thank you, Mr. Jackson. Mr. Pilkey, now will you proceed?

**Mr. Carruthers:** What kind of industry is that?

**Mr. Jackson:** Most industry today is a 40-hour week, a great deal of industry—manufacturing, automotive, mining—

**Mr. Pilkey:** I said earlier that 48 hours is rather medieval and that it needs to be changed to a 40-hour work week. This would be consistent with most employers in the province. Even a number of the unorganized have a 40-hour work week, and I just urge the minister to review that.

The other thing that we have in The Employment Standards Act is seven statutory holidays. There are other jurisdictions that have more than seven. I happen to think that the Ontario government should, again, at least be equal to other jurisdictions.

I speak specifically of British Columbia which has eight. These should be paid statutory holidays as opposed to just paying time and one-half if they happen to work.

Surely if the government is going to legislate these statutory holidays—and obviously a number of employees do not work these statutory holidays—they are relieved from that by their employers, usually in the areas where the workers are not organized and in many cases where the employer is not paying much more than the minimum wage here in the Province of Ontario and the workers can ill afford to lose a day's pay—yet the government legislates seven statutory holidays, but does not provide for these holidays to be paid for. I think that the government should review that legislation as well.

Hon. Mr. Carton: I am not opposed to that.

Mr. Pilkey: Thank you, sir.

Hon. Mr. Carton: If it will ensure my re-election and that of my government, I am sure these things will be all taken care of.

Mr. Pilkey: Okay. Think about it.

Mr. Makarchuk: We do not place dubious debts.

Hon. Mr. Carton: You have another point.

Mr. Pilkey: It appears to me that these permits really circumvent the legislation that the government has in regard to overtime. I am talking about overtime permits now.

Mr. Chairman: I think this is repetitious, is it not?

Mr. Pilkey: Not really.

Mr. Chairman: The point was made by others.

Mr. Pilkey: The point that I want to make is that it appears to me that these permits are issued indiscriminately. Let me ask the question, what kind of conditions does the government put on issuing these permits? Are there any conditions, or do they just hand the permits out indiscriminately, if an employer makes the request?

Mr. Eberlee: In this day and age, it is very difficult to come up with any set of criteria under which you would refuse such a permit. So, I think that it is fair to say that when an application is made, the permit

is granted, subject, of course, to the employer having to pay overtime after 48 hours in most cases.

Mr. Pilkey: What we are really saying is that in the Province of Ontario we have not got a 48-hour week either. If these overtime permits are just handed out indiscriminately, then the 48-hour provision really becomes meaningless, in my view.

You say that it is very difficult to set up any criteria to determine whether you should issue them or not. Let me remind the deputy minister that we have high unemployment, as was pointed out by my colleague from Brantford. Surely, this should act as some deterrent against the government indiscriminately handing out these work permits.

Mr. Eberlee: No; these are for 100 hours of overtime per employee per year; that is the limitation.

Mr. Pilkey: I appreciate that, but you pointed out earlier that these permits can be renewed. There are renewals.

Mr. Eberlee: Under those circumstances. But, of course, they have to make out a case that the skills are not available and it is only by way of an additional permit that they can maintain their production.

Mr. B. Newman: Is not the union consulted at the same time that management asks for a permit?

Mr. Pilkey: These are usually non-union shops. Let me remind the member for Windsor-Walkerville that, when the government introduced The Employment Standards Act, it made it very pointed that this was a charter for the unorganized. I want to say that, quite frankly, it is not very much protection for the unorganized workers in this province, if these permits are just going to be handed out indiscriminately.

Mr. B. Newman: Is not the union consulted on this in the union shops?

Mr. Pilkey: They are not apprised of any permits that are granted or even requested. The unions do not know.

Mr. Eberlee: Could I add, Mr. Pilkey, that of course the time and-a-half premium rate is a deterrent in itself to work beyond those hours. That, after all, is the purpose of the premium.

**Mr. Pilkey:** I tell you, if you really want to make it a deterrent, make it about five times. Do you know it is cheaper to have employees work overtime in many cases, than it is to hire a new employee, because you are involved with the training programme. You are involved with all the fringe benefits. It is much cheaper to pay the overtime.

**Mr. Chairman:** Vote 1006 carried?

**Mr. Pilkey:** No; I have some other questions I want to raise.

**Mr. Eberlee:** We would actually be in big trouble if we did cut off overtime, because people have become so used to it.

**Mr. Carruthers:** I understand contracts have a time limit on them. If they are not finished in time, the contractor is penalized. Let us do away with the employers!

**An hon. member:** You would have the employees rising up in revolution if you gave them no overtime.

It being 6 o'clock, p.m., the committee took recess.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Labour

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Tuesday, June 15, 1971

Evening Session

Speaker: Honourable Fred McIntosh, Q.C.

Clerk: Roderick Lewis, Q.C.

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# LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JUNE 15, 1971

The committee resumed at 8.05 o'clock p.m.

## ESTIMATES, DEPARTMENT OF LABOUR (continued)

On vote 1006:

**Mr. Chairman:** Mr. Pilkey.

**Mr. C. G. Pilkey (Oshawa):** I understand through the deputy minister, that the government, through the employment standards branch, is working on some surveys for employees that are paid on a commission basis and that are not eligible for vacation pay—

**Hon. G. Carton (Minister of Labour):** Are you talking about cab drivers?

**Mr. Pilkey:** No. It has come to my attention that there are a lot of people now working on commission. I ran across one instance specifically where these girls are working in a beauty salon and working on a commission basis and as a result of that the employer is able to negate that section of The Employment Standards Act that calls for vacation pay.

**Mr. T. M. Eberlee (Deputy Minister):** They should be getting vacation pay.

**Mr. M. E. Howard (Employment Standards Branch):** We are looking into the matter right now. I guess it was at your request, actually. But as long as they are performing the service in the establishment they get the vacation pay. Referring to commissioned people, if they are taking orders away from their place of business, if they are commissioned salesmen, they would be exempt. With hairdressers on commission, the only problem you might have is if they are renting space or something of that nature and are more or less in business for themselves. Maybe they are barbers or something. But in the hairdressing, themselves generally, it is simply a commission arrangement and they are entitled to vacation pay, and I think we have this one going at your request actually.

**Hon. Mr. Carton:** Do they pay unemployment insurance?

**Mr. Howard:** Yes, I think so, and I think they pay Canada Pension, too. The barbers on the chair-rental deal do not but in the beauty parlour shops the situation is a little different because it is not just the beauty parlour's hair waving they are selling, they are selling the other services that go along with it. So it is pretty much pay on a commission basis, but they should get vacation pay. We have looked into a couple of them and they—

**Mr. Eberlee:** There is no exemption for them?

**Mr. Howard:** No.

**Mr. Pilkey:** Well then, can we distinguish the difference between one group that is getting commission of some type and another group—you know, like the minister raised, the question of the independent cab drivers who are working on a commission basis; so much money is going back to the employer and he gets around much of the legislation by conducting his business along those lines—

**Mr. Eberlee:** There is only one commission group that is specifically exempt.

**Mr. Howard:** That is the commission salesman making sales away from his employer's place of business.

**Mr. Eberlee:** Like real estate salesmen.

**Mr. Howard:** Real estate salesmen—yes, they are exempt. But commercial salesmen who are working on commission taking orders away from—

**Mr. Eberlee:** But you do have some situations where an arrangement has been made between the employer—that is not the right word—but someone and somebody else, which results in their not having an employee-employer relationship. You get this in the barbering field where the chair is rented to Joe Blow and there is no employer-employee relationship.

**Mr. B. Newman (Windsor-Walkerville):** Would the franchise milk dealers come in that too, like Mac's Milk, Becker's Milk and so on?

Mr. Eberlee: Yes.

Mr. B. Newman: They would be under the same category?

Mr. Eberlee: The manager, the man who holds the franchise, would be in that category.

Mr. Pilkey: But they are not all franchise operated?

Mr. Eberlee: No.

Mr. Howard: Any ones that are not franchised would cover all employees. Actually, in the case of most of the milk stores, vacation pay is usually paid now. I know that Becker's have a pay scheme of two weeks holidays with pay. There may be occasions where there is something else, they are offering something different, but it is mostly in the area of a commissioned salesman who is on the road by himself and he is paid by commission and when he works, it is his own business more or less.

But as far as the beauty parlour people go, we think they are in, and if need be we will take this into court.

Mr. Pilkey: Good, okay!

Mr. B. Newman: Now, how about the employee at a Mac's Milk or Becker's Milk or one of those franchise convenience stores: who is responsible to be paying him his vacation pay? Mac's Milk, the franchise company that has the name on the front door, or is it the one who has the franchise for the operation there?

Mr. Howard: Usually with the franchise there is an independent arrangement and it is the manager—we call them managers, but he actually has a deposit there, he has the stock on consignment—he is the employer in these cases.

Hon. Mr. Carton: He has a signed agreement, that—

Mr. B. Newman: Yes, but he does not sign the cheques. The cheques come from Mac's Milk.

Mr. Howard: Yes, but Mac's Milk do the bookkeeping for the stores; that is one of the services they provide for the stores.

Mr. B. Newman: I see, that is how they get around that, then.

Mr. Howard: They do not get around it. They get their vacation pay all right and

they get their pay, but it comes out of the so-called profits of the man who operates the store. For instance, he gets 12 per cent of the gross sales to operate the store; if he had \$100,000 it would come out of the \$12,000 he would get, and any vacation pay or any wages would come out of that.

Mr. B. Newman: That sort of takes care of the problem that I directed to your office, where an employee of a Mac's Milk store did not receive vacation pay. Now his income tax statement is from Mac's Milk, it is not from the franchisee. So you really should say that it is Mac's Milk who are responsible for seeing that he gets the vacation pay, and not the one who holds the franchise.

Mr. Howard: They usually do make the cheques out.

Mr. Eberlee: One of the difficulties, though, is that there may be differences from one Mac's Milk store to the next.

Mr. Pilkey: Some are franchised and some are not.

Mr. Howard: Right!

Mr. Eberlee: And we have to look at the agreement and see who really is the employer, or look at the circumstances.

Mr. B. Newman: How do we protect the employee in that, especially where the franchisee or whoever is managing the store disappears all of a sudden and the employee has not received his vacation pay?

Mr. Eberlee: Well, of course, in that circumstance it could be that Mac's Milk would be responsible, or the company would be responsible because they may have moneys owing to the fellow who has disappeared.

Hon. Mr. Carton: They would have hold-backs?

Mr. Eberlee: I do not think we have a real problem here.

Mr. B. Newman: The fact that Mac's Milk issued the T4 form automatically in the eyes of the income tax department makes them the employer.

Hon. Mr. Carton: As they may, in fact, be in some of the stores.

Mr. Eberlee: It may be.

Mr. B. Newman: So on the problem I directed to your office, then, Mac's Milk will have to pay that gentleman the vacation pay?

**An hon. member:** Someone will have to pay it.

**Mr. Eberlee:** We will have to track down the employer and pay the money.

**Mr. Chairman:** Mr. De Monte.

**Mr. D. M. De Monte (Dovercourt):** I have nothing further to say.

**Mr. Chairman:** Mr. Gisborn.

**Mr. R. Gisborn (Hamilton East):** Yes, I just want to, out of curiosity, clear up one point that I had. Under your vacation-with-pay schedule under the Act, it says "annual vacation of one week with vacation pay calculated at two per cent of the total annual pay," and then so on to the four per cent for two weeks in the second year. What do you mean by total annual pay?

**Hon. Mr. Carton:** I have a memorandum on this I prepared for the member for Sandwich-Riverside (Mr. Burr) but I think probably Mr. Howard can answer it right off the top of his head.

**Mr. Howard:** Mr. Chairman, we will look at basically all the money that the individual has or can control. The total pay includes his wages, commissions, a form of profit sharing—any form of payment which the employee receives. It would not include payments to a benefit programme, such as the hospitalization as paid by the company or a fringe benefit package.

Now, we generally tell employers to use the box on the left hand side which is the total pay less the fringe benefit package which they include in that.

**Mr. Eberlee:** The T4.

**Mr. Howard:** The T4, if it is on an annual basis.

**Mr. Gisborn:** Then it would include overtime.

**Mr. Howard:** Overtime, everything.

**Mr. Gisborn:** Sunday bonus, statutory holiday, trade.

**Mr. Howard:** Yes sir, everything; including the vacation pay.

**Mr. Gisborn:** Now which supersedes—I am going to come to the point—which supersedes, the collective bargaining or the Act?

**Mr. Eberlee:** The Act, sir. The Act takes precedence—

**Mr. Gisborn:** And under a collective bargaining agreement where there—

**Mr. Eberlee:** —unless the agreement is better, in which case it applies.

**Hon. Mr. Carton:** This is a minimum. The Act is a minimum.

**Mr. Gisborn:** That is right. But where the collective agreement calls for two weeks in the first year or three in five and five in 20, at the end of the first three do they get the vacation paid on the total earnings for those three years?

**Mr. Eberlee:** Right. You will find many agreements that call for either 40 hours of straight time or something of this nature for two weeks. But if they have worked overtime they have got to get four per cent of the total pay, regardless, you see.

**Mr. Gisborn:** This is the point I want to clear up, because in some collective agreements they will pay you your vacation pay based only on your normal hours of work, not on overtime, not statutory holiday pay. The question is arising that it might be okay for anything above the statutory vacations, but can they apply the statutory vacations to the first and second year's vacation since the Act that precedes the collective agreement says they should not be able to?

**Mr. Chairman:** Mr. Newman.

**Mr. B. Newman:** Mr. Chairman, I wanted to ask a question of the minister concerning the overtime pay. In the big auto industry such as Chrysler, Ford and GM back in my own local area, who does the requesting for the overtime first? Is it the company, solely the company, or does the company together with the union put in the request?

**Hon. Mr. Carton:** Are you talking about overtime over 40 hours or over 48?

**Mr. B. Newman:** No, over 40 hours.

**Mr. Eberlee:** We do not enter into it over 40, but—

**Mr. B. Newman:** All right then, over 48.

**Mr. Eberlee:** It is the company that applies for a permit.

**Mr. B. Newman:** Does the company generally consult with the union on that?

**Mr. Chairman:** We had this subject this afternoon very thoroughly examined and explained.



**Mr. B. Newman:** You do not require it? Do you know whether the company does, with the union, in connection with Chrysler?

**Mr. Eberlee:** I am afraid I do not—

**Mr. B. Newman:** All right then, I will ask this of you privately on the side because back in my own community yesterday Woodcock spoke to the Rotary Club and you had the unemployed picketing there asking that overtime be limited and likewise that the work week be shortened; and actually this is a branch of the employees of the automotive industry in the community that were asking this of Woodcock. Is there any consideration being undertaken on the part of the department to cut down on overtime, not to permit overtime after 48 hours? No, there is no request at all from unions concerning that?

**Mr. Eberlee:** Not specifically.

**Mr. B. Newman:** The unions have not asked that overtime be eliminated over 48 hours, in the automotive industry?

**Mr. Eberlee:** They have not asked us, no.

**Mr. B. Newman:** Okay.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** I want to—

**Mr. De Monte:** To pursue this point, I know it is not possible for you to bring down any edict, but would it be possible to get together with the unions and discuss 32-hour weeks when they are laying off, say, in the UAW, one-third of their work force or anything like that so that more people will work, perhaps take home less pay packet, but—

**Mr. Gisborn:** Better to discuss it with management.

**Mr. De Monte:** Management then, not necessarily to take home a 40-hour pay packet, but if we reduced the work week to 32 hours in times like today, perhaps more people would work, is that not feasible under the present circumstances?

**Hon. Mr. Carton:** We are still at 48.

**Mr. De Monte:** I know we are still at 48, but in periods of high unemployment would it not be wise, say, to cut a man back to 32 and perhaps have another man work than cut one man off altogether? What is your opinion of that, Mr. Minister?

**Mr. Eberlee:** Generally speaking, the skills are not necessarily available in the unemployed groups.

**Mr. De Monte:** It is a thought though, is it not? Why are skills not—for instance, two production line workers: one is let go and the other man is, of course, allowed to work for 40 hours. Suppose the one man is told that he has to take one day off and this other man is going to take up that slack. It might mean that you might employ 20 per cent of the people that you have to lay off.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** I received a copy of a letter last year addressed to the former Minister of Labour (Mr. Bales) and I want to read it. It says:

Our attention has been drawn to a case of an employee who has sustained a bad injury in an accident recently. She is unable to return to work for four months. The company has terminated her employment because of the length of her absence. The Oshawa District Labour Council feels that this is an injustice and requests that steps be taken to enact legislation prohibiting the practice of terminating employees under these conditions.

J. J. Grill,  
Secretary-Treasurer.

I have a copy of the letter and I am not going to mention the name, but I want to put a copy of this letter on the record and it says:

Dear Mrs. B:

I would like to express my regrets that you should have sustained such a bad injury from your recent accident and it has been my intention to write sooner and wish you a speedy recovery.

I notice that, when reporting to John H. your doctor figures it will be June 1, before you are able to return to normal duties. You will no doubt appreciate that it would not be practical for us to allow sick leave for such an extended period and therefore we will regrettably have to terminate your employment and suggest you reapply when you have fully recovered.

Yours very truly.

In the first paragraph he is really pouring out the sympathy for this person and then drops the broad axe in the last paragraph.

This happens to be an unorganized plant in this province and I want to tell you that

this just shows the kind of double standard that is in effect. And when I say that, I am talking about the organized versus the unorganized. This could not happen in an organized plant in the Province of Ontario, but it can happen in an unorganized plant where the management have a right to make unilateral decisions and let this employee go. If we are really going to make The Employment Standards Act a charter for the unorganized as enunciated by the former Minister of Labour, then I just happen to think that these people should get the protection that is necessary. As it is now, evidently a manager can just say to this person "We suggest you reapply when you are fully recovered."

**Hon. Mr. Carton:** What would be his purpose where they are continuing benefits? He was not trying to get out of it.

**Mr. Pilkey:** It is possible that there were not even any benefits available. I do not know.

**Hon. Mr. Carton:** I just do not get the reasoning behind it.

**Mr. Pilkey:** Very frankly, that is one of the things I have been saying since I came into this House in regard to organizing the unorganized. There just is no reason, no rationale for the action of these employers. They just make these decisions without any sense of compassion for people—

**Hon. Mr. Carton:** I did not want a speech. I just asked you what you want.

**Mr. Pilkey:** I have been making them long enough in this area! It just demonstrates—there is a practical demonstration of how workers are treated in unorganized plants—just to terminate arbitrarily the employment of this individual because she was in, I suspect, an automobile accident. It does not say. It says it was an accident, nevertheless.

**Mr. Eberlee:** Not an employment accident?

**Mr. Pilkey:** No, an accident outside.

**Hon. Mr. Carton:** Not a compensable accident?

**Mr. Pilkey:** Right; a non-compensable accident. And then, this letter, with great regret and wish for a speedy recovery, the employer drops the broad axe and she is fired. The suggestion that she reapply will really be meaningless because my guess is that when she does go and reapply, he will say, "I am sorry,

but all the jobs are filled, including the one that you formerly had. We will keep you in mind and we will call you." Do not wait too long, for that call will never come.

**Mr. Chairman:** Is vote 1006 carried?

**Mr. Pilkey:** No. I just want to know: Is the government going to give these people any protection under The Employment Standards Act if they find themselves in this difficult position?

**Hon. Mr. Carton:** We can look into this, Mr. Pilkey. I would suggest—I do not know how old that letter is—that any letters you get like that, if you would forward them to my attention I will be happy to look into them.

**Mr. Pilkey:** I understand that a copy of this was sent to the previous minister. Very frankly I do not know how he responded to it, but—

**Hon. Mr. Carton:** I see your point. I will check it out if you will give me the name, and I will get a copy of it.

**Mr. Chairman:** Is vote 1006 carried?

**Mr. B. Newman:** Mr. Chairman, I wanted to ask you if cleaning service employees are controlled after some fashion? If they are regulated; if anyone checks to see that they do get the minimum wage? That they do work—

**Hon. Mr. Carton:** Do you mean domestics or maintenance people?

**Mr. B. Newman:** Yes, maintenance people. I am referring to the commercial maintenance operation that goes about a community cleaning offices. I have had calls to my home in which they claimed that the employees generally are people of ethnic background who take this type of employment because it is the only thing they can get. They are able to communicate because their fellow employee is generally an Italian or a Portuguese. They are all Portuguese working. A big complaint that they register to me is that they may work more than the hours recorded. They will work 60 hours and they are paid \$60, but recorded as only having worked 32 hours or something like that.

**Hon. Mr. Carton:** Because of their susceptibility to exploitation we did make a blitz on this particular group of people a year ago. We do watch them particularly. Again, if you have any name or any company you



are concerned about, just relay it to me and it will be checked out immediately.

**Mr. B. Newman:** I will do that.

**Mr. Chairman:** Mr. Gisborn.

**Mr. Gisborn:** I was looking through the publications available from the department and they are commendable. They get across the story of the department. There were two that caught my eye and I would think that there would be quite a demand for them at present. One is called "Happiness is the Right Career—how to Find the Job You Want" and the other one "How to Look for a Summer Job." There must be quite a demand for them right now. Is there?

**Mr. Eberlee:** The "Happiness" bit is published by the women's bureau. It was directed primarily to a female slant.

**Mr. J. E. Bullbrook (Sarnia):** I think they write the Premier's (Mr. Davis') speeches for him too, that bureau. He gave one lately; it got me right there!

**Mr. Chairman:** Is vote 1006 carried? Carried!

Vote 1006 agreed to.

On vote 1007:

**Mr. B. Newman:** Mr. Chairman, I wanted to ask the minister if he is settling the problem of the athletics commissioner's office?

**Hon. Mr. Carton:** We brought in new regulations last week. I do not know whether or not you have seen them.

**Mr. B. Newman:** No, I have not seen them. I would appreciate receiving a copy of them.

**Hon. Mr. Carton:** We brought in new regulations last week.

**Mr. B. Newman:** Would someone from your department see that I get a copy then? I wanted also at this time to ask if the minister is considering eliminating both the amateur boxing and the amateur wrestling from the control of this department and leave it in the control of the amateur athletes—the AAU of C or some other governing body—rather than having it associated with the professional boxers and wrestlers who throw a not too pleasant picture on the individual who is sincerely and conscientiously interested in those two fields of endeavour, solely from an amateur point of view.

**Hon. Mr. Carton:** We have not done that as yet, but we could give consideration to it.

**Mr. B. Newman:** I would sincerely ask you, Mr. Chairman, to give serious consideration to that, because I do not know of any country in which government controls both amateur and professional athletes of the same category. That is, the boxing and the wrestling.

I cannot see why you should be telling the boxers that they have got to use this official as opposed to that one; government dictating who is to referee, who is to officiate at these various boxing and wrestling matches. The amateur athletes are capable enough themselves. They do not need any government intervention. There is not show business, as is professional boxing and professional wrestling.

If two individuals want to come along and clobber one another in a professional boxing ring that is their business; they are paid very well for it. Likewise, if two wrestlers want to grunt and groan and toss one another between the ropes—which is illegal, but over the ropes is legal—and a lot of the other inanities that are in The Athletics Control Act, I do not mind either having it.

When you come along and associate the Simon Pure amateur boxer and likewise the amateur wrestler and you categorize him, put him in that same category as the professional mauler, I think you are doing a real disservice to college and below college level athletes. I think you have got to look at that a little more seriously, Mr. Minister, to protect the amateur boxer and wrestler.

I brought up to you at one time the compulsory use of headgear. When you use the word headgear, it seems to build up a resentment, but if you say eye protector then everyone buys it immediately. The eye protector or helmet or headgear is needed for the amateur boxer.

However, your department only makes it voluntary to use it. You use the alibi that they do not have one that fits. Mr. Chairman, it is up to us to come along and see that this type of equipment is manufactured after a fashion or that someone undertakes this; whether it is going to be a responsibility of the Ontario government or the federal government, to provide safety equipment or see that safety equipment is available for our various athletes. I think we have got to do that.



The way both amateur boxing and wrestling has been run by the Ontario government, I think, is really a disgrace to the activity. It has to be straightened out. You know, Mr. Chairman, the criticism that your own athletics commissioner received in the local press and the feud that is going on between the Canadian Amateur Boxing Association and your own chairman. That has to be resolved. We cannot have that carry on for the good of the sport itself. I hope you look into it and straighten it up once and for all.

**Hon. Mr. Carton:** I agree with you on your last point. On your first point, in the regulations last week we legitimized lady wrestlers. I think it is important now that we differentiate between the ladies who wrestle for pay and those who do not. We will take that under consideration.

**Mr. Chairman:** Is vote 1007 carried?

**Mr. B. Newman:** Mr. Chairman, I wanted to take up something else. That is, do you intend to stay in amateur athletics with this department controlling them? Because if you do, then let us control amateur hockey. Let us control all of the amateur sports and put it under the government's umbrella, or let us get out of it completely and control only the professional and the money-making activities.

**Hon. Mr. Carton:** This is presently being studied by the committee on government productivity, and we are awaiting their report. I think it could well be that it is a decision—

**Mr. B. Newman:** You are aware of the McRuer comments concerning The Athletics Control Act? I hope you would take this a little more seriously than simply having a committee studying it, and get some action on the thing.

**Mr. Chairman:** Mr. Gisborn.

**Mr. Gisborn:** Yes. I am aware, as we all may be, that the department, through the commissioner, makes available certain equipment for the community recreation councils across the province. I cannot determine, either in the estimates or in the public accounts, the amount that is specifically for those groups. In your blue book report here you have a figure of \$149,989.94 for equipment to assist amateur athletic clubs and associations. That would not mean that group would it?

**Mr. Eberlee:** Yes, it would be.

**Mr. Gisborn:** That group would be included?

**Hon. Mr. Carton:** It means softball associations, and that kind of a group, is that what you are talking about?

**Mr. Gisborn:** Yes.

**Hon. Mr. Carton:** I have the list here. That is specifically for that.

**Mr. Gisborn:** It would be too lengthy a list to detail? It is not even detailed in the public accounts.

**Mr. Eberlee:** The \$149,000 is made up of actual donations of equipment to groups all over the province. Then there is an additional \$35,000 in actual grants to various organizations.

**Mr. Gisborn:** My point is, I am associated, naturally, with about four different groups. They appreciate the equipment they get, but they all seem to have the same feeling that they only get about half the amount they need. How do they make their application? Is it given to them on their request? It seems to me when they send in a request that they are reticent to be overtly greedy in a sense and they cut themselves back.

How is it done? Is it done in that fashion? They just make their request and name the amount they need, or do they give the number of teams they are responsible for and then it is suggested on that basis?

**Mr. Eberlee:** They make their request and the commissioner finds out how many teams, how many players, and so forth, and finds bats and balls and so forth on that basis, as far as possible.

He has sort of a rationing system. If one group asks for what seemed to be an outrageous number of bats and balls he would cut them back to the basis on which he normally gives them.

**Mr. Gisborn:** The recommendation I would like to make is that if it is necessary to up the budget somewhat there be a little more leniency on this basis. Because I noticed in following the build-up of their teams pretty closely last year, right from the start, some teams would have the protective helmets, others would not. Some would have chest protectors, other teams would not.

Some of the young kids felt they were discriminated again. On inquiring it was just that they—well, I do not know—"we did not get them."

I think there should be a balance. If they send in the number of teams which they

developed, which they are going to be in charge of, they should be notified that they cannot have all these that are available—make sure that each team at least gets one set, so there does not seem to be a disparity between them.

**Hon. Mr. Carton:** A valid point.

**Mr. Chairman:** 1007 carried?

**Mr. B. Newman:** Mr. Chairman, on this same topic. Why would not your department come out with a form stating that this type of equipment is available now? Would you prefer "this, this and this," rather than just shipping them a bat and a halfdozen baseballs or something like that? Maybe they would prefer one other more expensive piece of equipment rather than just the bat and ball.

**Mr. Eberlee:** It is done on the basis of the request from the league or from the group, and if they ask for bats and balls—

**Mr. B. Newman:** I see. They do not know what is available? All they know is bats and balls are available?

Now a group may want simply a bed for a trampoline, because they happen to have that type of activity in their club. Why should they not get that same consideration as the other that gets the bats and balls?

**Mr. Eberlee:** That would be getting into the capital equipment area.

**Mr. B. Newman:** No, they want the bed which is only a matter of \$75, so it is not a major expense at all.

Also, while we are on this, the grants are supposed to be given to Ontario-wide organizations. Why do you give them to individual municipalities?

**Mr. Eberlee:** The actual financial grants are given to Ontario-wide groups—for instance, the Commonwealth Games Association, Ontario Regional Canadian Water-skiing—this sort of thing.

**Mr. B. Newman:** Let me read you the names of those that are given them. Why would Galt Hornets Senior Hockey Club get \$1,000? Why would Port Colborne Comets get \$500? Why would the Wanderers Rugby Union Football Club be given \$750. This is in the public accounts 1969-1970.

I know you cannot answer that for me, but I would assume that you are doing exactly the same thing the present year. I

see nothing wrong with giving it to an Ontario-wide group but not to an individual.

**Mr. Eberlee:** The individual groups are normally given these things to attend a championship of some kind. For instance—this is 1970-1971—the British Commonwealth Games; Ontario Region Canadian Water Skiing; Canamer Games, Brantford; Ontario Rural Softball Association; Brockville Rowing Club—that was for some specific competition they were involved in.

**Mr. B. Newman:** Every city can name a specific competition to which they can go, so if you are going to give it to Brockville, open the door and give it to every other community that likewise makes a request, that is all.

**Mr. Eberlee:** These are generally people who are going overseas or to the States for some rather well-known competition.

**Mr. B. Newman:** If they are going overseas the federal government provides assistance to them.

The thing is if you are going to give it to municipalities who are going as an Ontario club there is nothing wrong, but if they are going as a Brockville club then it is wrong to be giving it to them if you do not give it to others. I do not regret them getting it, but give it to other groups which could be going overseas also, who do not know about this and would like to have that same type of financial assistance. I have thought too long in the amateur mind to know that it is too hard to get assistance unless you use this type of an approach.

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** I want to raise a point on an invitation by the South African Badminton Union to participate in a tour in that country. As you know in South Africa they practise apartheid and here we are, as a country, participating in that tour in South Africa.

I want to tell you that there has been representation made to the fitness and amateur sports branch of The Department of National Health in Ottawa. The response that they got from someone in the branch in Ottawa was that they did not dictate as to what sports should do.

I want to tell you that this invitation was extended to the Canadian Badminton Association, to which the Ontario Badminton Association is affiliated. There will be six players who will be appearing in this tour



in South Africa. A Mr. Yves Parr from Montreal; James Polson from Calgary; Nancy McKinley from Toronto; Barbara Welch, Toronto; Doug McGillvray, Calgary; and Susan Cutmore from Calgary.

Now the South African Badminton Union does not admit black or coloured people to its ranks, nor does it play in public exhibitions or even privately with teams that include black or coloured people. It is only by coincidence that the Canadian team travelling to South Africa include players of pure white descent.

I want to tell you that last year, through the athletic commission programme we did contribute \$485 to the Ontario Badminton Association, which, as I said, is affiliated to the Canadian Badminton Association. I think that this government should make their position very clear that we do not support apartheid. We should be urging the Ontario Badminton Association, which gets some remuneration from this government, to protest to the Canadian Badminton Association their participation in the South African tournament. I make that plea to the minister that he should do so—and I am prepared to give him this material.

**Hon. Mr. Carton:** I understand that letter came into my office today. I have not seen it yet, but that same letter came into my office today.

**Mr. Pilkey:** Good, if you have a letter in this regard then I would urge the minister to deal with it and make representation on this point. I just do not happen to think that we, as a government, should be sponsoring or participating in any function that South Africa advocates.

**Mr. E. W. Sopha:** We should not give them a dime!

**Mr. Pilkey:** Right.

**Mr. Chairman:** Vote 1007?

**Mr. Pilkey:** Five cents.

**Mr. Chairman:** Carried?

**Mr. Sopha:** But if they want to go to play badminton with Mao, that is all right with me.

Vote 1007 agreed to.

**Mr. Chairman:** That completes the estimates of The Department of Labour. Now we will have the Workmen's Compensation Board.

## WORKMEN'S COMPENSATION BOARD

**Mr. Chairman:** Mr. De Monte.

**Mr. De Monte:** Well, Mr. Chairman, I thought that perhaps in this committee we possibly would have been able to discuss in depth the problems of the Workmen's Compensation Board, if there are problems, at least with the chairman of the board.

**Mr. B. J. Legge** (Workmen's Compensation Board): You can proceed as you wish.

**Mr. De Monte:** Well, Mr. Chairman, can we then launch into a—

**Hon. Mr. Carton:** Before you proceed, Mr. De Monte, I will have Mr. Legge introduce the people.

**Mr. Legge:** Well, Mr. Chairman, if I may, I would like to introduce the new commissioner, Mr. Douglas Hamilton, who had a very distinguished career with the Ontario Federation of Labour and with the Toronto Transit Commission; Mr. A. G. MacDonald, who is the executive manager; Mr. Anthony Azzarello, who is the director of adjudication; Mr. W. R. Kerr, who is the director of rehabilitation; Mr. J. W. Draper, who is the director of safety education.

**Mr. Chairman:** Mr. De Monte.

**Mr. De Monte:** What I would like to do, perhaps with the chairman of the board and his commissioners, is to take an in-depth look into the accounts if possible, and into the whole question of the adversary system and its operations at the board. I would like to discuss the question of pensions and the definition of light work, rehabilitation, the numbers of the staff and the increases over the years, say from 1965, the definition of temporary partial benefits or disabilities. If the commissioner can answer it, I would particularly like to go into the question brought up by Mr. Justice McRuer in connection with the decisions of the board in that he maintains they may be ultra vires. On what basis would the commissioner base the awards given at the board by an appeal tribunal, the pensions committee and so on and all those awards that are made below the board level?

Firstly, in the annual report of the Workmen's Compensation Board, I think it is quite clear that the board maintains the administrative costs are something around 9.6 per cent, if I am correct.



**Mr. Legge:** No, you are not correct; and we do not. It is 6.9.

**Mr. De Monte:** It is 6.9 per cent. I would like a discussion of the accounts in connection with that part of the \$2 million on page 20—well I do not happen to have the accounts here with me—where they allot \$2,586,761 for administration and it is deducted from the total administration costs and any other costs that are in there, I understand. I would like to know where all those costs are allotted.

**Mr. Chairman:** Mr. De Monte, you know, we are sitting as an estimates committee. The standing committee looks after certain features; I have a hard time sorting the two out here.

**Mr. De Monte:** Well, it is up to you, Mr. Chairman, which way you want to sort them.

**Mr. Chairman:** I am trying to allow you latitude in this so that you can have a good examination, without—

**Mr. Gisborn:** Well, Mr. Chairman, we expect so—

**Mr. Chairman:** But as estimates.

**Mr. Gisborn:** —because a precedent has been established that we deal with the board in this fashion, and I do not know—

**Mr. Chairman:** I doubt very much; in some fashion and in some respects.

**Mr. Gisborn:** I just did not get the point that you said we might be restricted.

**Mr. Chairman:** Well, we are sitting as an estimates committee and must discuss whatever falls within the terms of an estimates committee.

**Mr. Bullbrook:** Are you meaning to say that you are going to restrict us to a discussion of the proposed expenditures by the Workmen's Compensation Board during the current fiscal year?

**Mr. Chairman:** No, I am not going to restrict you to that, but I want to make it perfectly clear that we cannot wander too far away or I will have to bring you to order. The other part is that this is also a board that will come before the standing committee in this year, if it is necessary. So you are not restricted to the total examination.

I just want to make the point that it is going to be hard for me to determine some of this. So I will try to allow you as much

latitude as I can so that you can have a thorough examination.

**Mr. De Monte:** Firstly, then, may I ask this question: How many people are directly employed in the appeals system of the board, not only in connection with the people who actually sit in on the decision-making but the staffs and so on who are employed as a direct result of the system?

**Mr. Legge:** Well, Mr. De Monte, if you do not count the board, which does many other things besides, there is an appeal tribunal that has six people and there is a review committee that has 12 people; therefore there are 18 in the appeals.

**Mr. De Monte:** That includes clerical staff?

**Mr. Legge:** Well, there would be a support staff; I thought you were dealing with the officials. They would be much less than the 18.

**Mr. De Monte:** In other words, the total appeals system, as it exists at the board now, has a staff of 18 which handles all the—and I appreciate that it is the appeals system and not at the bottom rung where ordinary decisions are made.

**Mr. Legge:** Yes, I follow. The question is very clear. It is 18.

**Mr. De Monte:** There are 18 people.

**Mr. Legge:** And there would be a few secretaries in there.

**Mr. De Monte:** Well, how much support staff would there be?

**Mr. Legge:** I am going to guess for you and say 25 per cent would be support staff.

**Mr. De Monte:** Of the 18.

**Mr. Legge:** No, on top of the 18. There would be another four or five people.

**Mr. De Monte:** A maximum of 25, say?

**Mr. Legge:** Yes, that is very fair.

**Mr. De Monte:** That is fair.

You have read Mr. Justice McRuer's opinion in connection with this. Could you tell me—

**Mr. Legge:** Yes.

**Mr. De Monte:** I think he surmises that you base your decisions on the fact that you

have power under the Act to carry out investigatory procedures and so on, and it is upon this basis you have set up the appeals system. Is that correct?

Mr. Justice McRuer says it is *ultra vires*. Of course, he is directly saying that the whole system of the appeals system below the board level therefore has no basis in the Act.

Could you tell me, in your opinion, why Mr. McRuer's submission might not be correct? Because that has struck me as a very pertinent part of the whole system that you have at the board.

Mr. Legge: Well this has been dealt with by several royal commissioners, including the hon. Mr. Justice McGillivray and the former Chief Justice McRuer. The fact is that the system is based on common sense, and it is quite so that there is no specific delegating authority in the board. The commission is the same now as it was in 1915 when it was set up. In 1915, the workload was such that the commissioners dealt with every single decision themselves. This has evolved from, say 15,000 claims in 1915 to 373,000 claims in 1970, and over the years on the assumption—and I think the valid, common sense assumption—that the board could not deal with all of it and that it did have the right to inquire and to investigate; that in fact it did inquire and did investigate and decisions were made by claims officials.

This is the beginning and end of it; there is nothing obscure about it.

Mr. De Monte: In fact, there are not 373,000 claims, though, are there? When you refer to the 373,000 items, you refer to medical claims that are processed immediately. A man cuts his finger and that is a claim; or if a man is off for three or four days and goes back to work, that is a claim. I am referring specifically not to the multitude of so-called claims at the bottom level; I am referring to the claims that are within the appeal procedure other than the ones that are made at the bottom level by a clerk or by a computer. A medical claim by a doctor does not have to go to the appeals tribunal or to the board because it is made as a matter of course, is it not?

I understand last year that industrial and construction accidents added up to about 86,000. Does that mean that you still have—last year you said you had 373,000, did you not?

Mr. Legge: That is what I said, and it is a fact. And the fact is simply this: It does not matter whether a workman strained his back and went home for the afternoon, which has to be accounted for as a claim, or whether he strained his back and was never able to work again. The problem of adjudication is exactly the same, the reporting is the same and the consequences may be the same.

A fellow who goes off for three hours may, a few days later, have a sequela of that strain, for which he missed no time from work at that moment, and subsequently have some kind of herniation of his back or some other unearthing of a latent condition that results in a large pension payment. So it is quite impossible to distinguish between a medical-aid-only claim and a claim involving lost time for those reasons.

Mr. De Monte: Then perhaps we might redefine it. Shall we call it a claim upon which there is an appeal?

Mr. Legge: There have to be appeals.

Mr. De Monte: Fine! May I proceed to develop this point. The 373,000 claims then means that there were 373,000 processes through your system.

Mr. Legge: That is correct.

Mr. De Monte: Then of those claims—and we use claims for the want of a better word—there are some claims upon which the worker decides he might have a further right. How many of those claims are there? They go into the appeal system do they not?

Mr. Legge: No, hardly any claims go into the appeal system actually—

Mr. De Monte: I agree, there are hardly any claims.

Mr. Legge: Out of the 373,000—

Mr. De Monte: Yes, that is the point.

Mr. Legge: —there are of the order of, say, 4,000 that go to the review committee; and of the order of, say, 1,200 or 1,300—perhaps 1,500—that go to the review committee; and then the review committee sends 150 to the board.

Mr. De Monte: That is the point I am trying to make, sir. Of the 4,000 claims that go up, right. I think Mr. Justice McRuer refers to these peculiar claims that they might not be *intra vires* because they are an appeal and therefore must be made by the board. I

think that in order to be *intra vires* they must be made by the full board, and that there is not technically any legal basis in the Act for this peculiar type of claim because there is no basis in the Act for the appeal tribunal for instance, or for the—what is the next stage?

**Mr. Bullbrook:** The review committee.

**Mr. De Monte:** The review committee, yes, which is review by the appeal tribunal and the full board I take it? And he says the appeal tribunal and the review committee might be *ultra vires*.

**Mr. Legge:** That is the *reductio ad absurdum*, that is to reduce the whole process to a pure legal technicality, and of course I think if you looked at the board as legalistic—which it is not—you could sustain that argument. It would be very simple to have a change to the legislation, which any party or any government could offer, simply saying that the board has the power to delegate its decision-making to a claims officer or to another level of appeal.

But surely this is the purest form of legalism, because the essence of the work involves that there be the whole team in this game. It is impossible for three people to deal with even 137,000 claims, which were those involving lost time at the first instance.

**Mr. De Monte:** That I might agree with. But I say this to you quite succinctly—it sets up delays. You might say that I am looking at it completely legalistically, but I submit with respect that some of the techniques used at the board are legalistic in themselves and that the Legislature, at the time that they passed this very final legislation, did not intend it to be a legalistic system of appeals, and that I put to you is unfair to the workman who sometimes does not have the possibility of being able to go up to the appeal system. Tell me—

**Mr. Legge:** I do not know what comment it is you wish me to make on that, because I have many ideas on points that you are saying. As to the legalism of it of course the antithesis is the fact, it is the very opposite of legalism. In fact, more union people, more politicians than lawyers appear to assist workmen at the board and they do it very effectively. And as the member for Sudbury (Mr. Sopha) and the member for Cochrane South (Mr. Ferrier) and many others know, there are scarcely any lawyers who ever get any fees from workmen in appearing before

the board, which is the very sharpest contrast to what goes on in the United States where many jurisdictions have by legislation restricted the contingency fees paid to lawyers to 25 per cent or 40 per cent of the take.

There is no legalism whatever in our system. It is a purely administrative inquiry system.

**Mr. De Monte:** You mean to tell me that under the appeal system at the board, lawyers come there and work for nothing if they do come?

**An hon. member:** No they do not.

**Mr. Legge:** I mean to say that very few of them come. That is what I am saying, sir.

**Mr. De Monte:** How do you calculate your pensions on the basis of temporary partial disability? How do you calculate those pensions in the board?

**Mr. Legge:** They are very carefully calculated, based on an actuarial formula. I do not wish, Mr. Chairman, to do all the talking here. I have a very strong team, and I wonder if you would like to hear from the executive manager, Mr. MacDonald, who is the expert in this area. Mr. MacDonald.

**Mr. A. G. MacDonald (Executive Manager):** The section of the Act that deals with this is section 42, which stipulates that in the first instance there shall be a disability calculation made. This is purely a medical assessment of the man's disability. It has no relationship in the first instance to loss of earnings, it is purely a medical assessment which has been worked out over a period of years based on a schedule which has been developed by experts; and I might say it is in use across Canada by the other boards as well.

Once that disability rating has been established, then the man is entitled to 75 per cent of that disability rate based on his average earnings for the year prior to his accident. He is paid that regardless of future earnings.

Now there can be in addition to that particular award, industrial—

**Mr. De Monte:** That is 75 per cent of the per cent?

**Mr. A. G. MacDonald:** Yes.

**Mr. De Monte:** In other words—just to clear this up—if he gets 20 per cent disability, he gets 75 per cent of that amount?



**Mr. A. G. MacDonald:** Because the compensation rate is 75 per cent of the rate. That is again stipulated by the Act. But I emphasize it has nothing to do with future earnings and it is paid for life.

**Mr. De Monte:** I appreciate that.

**Mr. A. G. MacDonald:** There can be an industrial rating paid in addition to that if there are special circumstances in a case affecting the man's future earnings.

**Mr. De Monte:** In other words, what you just said is that if a bricklayer loses his hand—and I am using an extreme example, sir—and with the loss of his hand he can never carry on his occupation as a bricklayer, you say that that is taken into consideration?

**Mr. A. G. MacDonald:** It is very definitely taken into account if there is additional loss in earnings.

**Mr. De Monte:** That is right, and to what extent would that be calculated, sir?

**Mr. A. G. MacDonald:** It is an individual assessment in each case based on his natural loss of earning.

**Mr. De Monte:** I see. And it does not ever achieve 75 per cent of his earnings as a bricklayer for instance, it could never do that?

**Mr. A. G. MacDonald:** No, it is assumed he will have some sort of gainful activity.

**Mr. De Monte:** In other words if he—I use this word that I have seen in a great number of your reports—has a temporary or a permanent partial disability? That is the word is it not?

**Mr. A. G. MacDonald:** That is the phrase, yes sir.

**Mr. De Monte:** Suppose this man goes out and cannot get a job? Suppose he cannot even get a job as a sweeper because he does not have that arm any more? Does the board take that into further consideration, in order to alleviate his financial difficulty for instance?

**Mr. A. G. MacDonald:** At this point our rehabilitation department takes over and we are quite successful in rehabilitating the vast majority of people in this category. I think if you wish, sir, Mr. Kerr could speak to that point.

**Mr. Bullbrook:** Before he does, might I enter the fray a bit? You are getting basically

to the point that I wanted to discuss with Mr. Legge and I did not have an opportunity last year.

I had occasion, if Mr. Legge recalls, to attend with a lawyer in connection with the TDI poisoning cases which were not only noxious cases but very difficult cases for the board to analyse, extremely difficult cases. This was a situation where constituents of mine were poisoned by—and I am not going to give the chemical name, it is commonly known as TDI—and my recollection of it is that I became involved as a matter of interest. I am going to take about five minutes to premise this because it gets to an essential aspect of the whole compensatory system that bothers me, and I think bothers the chairman, too.

There are no obvious physiological or physical effects, if I recall, in connection with this. What happened in the circumstances of these cases was that we had people who were not able to return to work. I became involved as a solicitor, prior to my election, for a company called Catalytic which was the employer of these men.

I attended at the original hearing. The men themselves were upset and the union representatives were upset that I was there. They thought that my brief on behalf of Catalytic was to resist the claim. Quite the contrary. It was Catalytic's patent concern that these men be adequately taken care of, notwithstanding adverse effects on rate structures, and we made that amply clear.

This matter went on for a considerable length of time. In one case, for example, the board—and I am inclined to think notwithstanding perhaps significant medical evidence to assist them—did offer one of the constituents a settlement of \$26,000, which I urged upon him to take and which to this day, strangely enough, he will not take.

The problem that came through to me there was, if you recall, a problem of assessing whether it was a compensation neurosis. We got into various esoteric arguments on the medical evidence, and the board attempted to give these people, from a psychological point of view, the benefit of the doubt.

But now, aligning it with the line of questioning, the whole problem that I see—and we can all come here and litanize; the minister can come here with a catalogue of workmen's compensation cases and I really do not think that serves the purpose of the board, Mr. Chairman, because we all have

cases—the basic problem we have in connection with disability, temporary or permanent partial disability, is that the people begin at 100 per cent, and in no time, sir, they get a letter saying that it is going to be 50 per cent and then 25 per cent; and we must assume that this is based on medical evidence. And then the rehabilitation services take over, Mr. Chairman.

The problem is, notwithstanding the great talent and ability available in the rehabilitation services, notwithstanding the medical supportive evidence in connection with the reduction of partial or temporary permanent disability, the man cannot get back to work. And in so many instances, especially in the present economic climate, he cannot get a job, notwithstanding the fact that the rehabilitation services have assisted him in acquiring a new type of vocational aptitude.

The main concern is this, getting back to the fundamental concept of this, that really we have taken away from the individual, Mr. Chairman, the common-law right to sue. And I agree wholeheartedly that our system is much more beneficial in the long run to the individual workman than the American system.

As of last week I received a cheque to be transferred to the Public Trustee from a compensation fund available in the state of Michigan where the lawyer received from it 40 per cent—you were right on, 40 per cent—of a settlement of \$42,000. Can you imagine that? A shocking situation!

These are the general concerns. First of all the question of benefit of the doubt in connection with the reduction, Mr. Chairman, and what seems to be a schematic reduction, almost in every instance. And maybe this follows as the night the day because the man is purportedly getting better—I do not know, maybe that is the answer. But notwithstanding him getting better he is not getting back to work.

Now I use this for an example. On March of 1970—and this is not a case, just a generalization—a man is hurt, he does receive 100 per cent pension. In September he finds that this is reduced to 50 per cent, perhaps to 25 in November. The fact is by March of next year he is still not back to work.

There seems to me something wrong in the system that originally took away from him a common-law right that he had, but then gets into the refinements as to his state of health at the time and equates, in some sort of artificial, I say, feeling that he is ade-

quately served with 75 per cent, 50 per cent, 25 per cent. Really, I think we will all agree that notwithstanding the analysis that your experts are able to give as to medical opinion, it really is a subjective evaluation, somewhat picked out of the air. Be it 68.5 per cent, or the less refining 25 per cent, it is difficult to assess, really. The problem is, again, he is not back to work.

You recall, Mr. Chairman, you were kind enough to point out to me during the course of one hearing that really the board sometimes is restricted in what it might want to do, because of the very legislation that we pass. So I look to the board on occasions of this nature to assist us, as legislators, in perhaps modernizing the legislation to give more latitude and elasticity to yourself.

So the first question, I think probably the most important question, is how can we assist the board as legislators in perhaps amending the statute so that even if a man is perhaps 25 per cent disabled, we still recognize he is not back to work and should he not still be paid on a 100 per cent basis?

**Mr. Legge:** Well, that is a very comprehensive treatise, with some of the obvious difficulties of predicting what a man should get at a certain point in time, when in fact he has not returned to work.

The question of conferring absolute discretion of a board, I suppose, is the antithesis of saying that the injured workman must be paid in accordance with the extent of his disability. You would have to hand absolute discretion to the board. I suggest to you that in the present climate most people do not really wish to confer greater discretions on administrative tribunals in the public boards.

In this particular kind of case where you have a neurotic overlay as well as perhaps a physical disability—and I think it was your case in which we offered a settlement, based on the psychiatric evidence that \$26,000 would cure this man, would end the blocking he had—but it did not. So whether you say the disability is picayune or whether you say it is monumental; and whether you say we will give you 50 per cent or 25 per cent, or a lump sum of \$26,000 does not guarantee that the problem in that case will be solved.

I am rather against boards and commissions having too much discretion. I think we have enough discretion. I think the thing that is forgotten in all of this to do with compensation is that companies like Catalytic are paying out of the cost of their goods and



services for this, so it is a form of indirect taxation which we all pay for and which is influencing foreign trade. But I think at the same time you have to believe that all the other social services of the community are available to the injured workman; that if he is not getting all of the compensation that I might think or you might think he should based on the medical evidence, that he still has the rights against the other funds and the other welfare benefits and so forth, that are available to him.

**Mr. Bullbrook:** May I interject? I hesitate to, because I took such a great time.

**Mr. Legge:** Not really. You characterized it pretty well.

**Mr. Bullbrook:** Right. Mr. Legge, I do not like that answer at all because we—

**Mr. Legge:** I have not finished.

**Mr. Bullbrook:** No, I realize—I know that you have not finished. I did not mean that. I do not like the salving of our social conscience, if I might put it that way, as a legislator not as a board, on the basis that the workman can look to other social assistance—

**Mr. Legge:** I am not giving that as a solution. This is one of the things that we ought not to—

**Mr. Bullbrook:** It is one avenue of approach available to the workman. Go ahead, sir.

**Mr. Legge:** The other thing that you dealt with en passant was the fact that his right to sue has been removed. In Australia and in Britain where they still have the right to sue as well as some kind of elemental compensation system, I think by common consent everybody is dissatisfied because nobody goes back to work until the three or four years that it takes to get to the Supreme Court of that jurisdiction have elapsed. In Australia it is called "putting on the agony" and they put on the agony until that time.

There is a very interesting royal commission report just been handed down last month in New South Wales which deals with this problem and which points to this board. So there is something between a general welfare state and suing for your rights, which existed before 1915.

All that I am saying to you is there is always the benefit of the doubt applied in

these cases, but it is based on medical evidence. The reason that it is based on medical evidence is because this system might just as well be called a rehabilitation system.

The idea is that there must be an incentive, which is right inherent in the legislation—and I did not write it. But in the legislation is the fact that there must be an incentive to get a disabled workman back to work, and the board must do everything it can to call fairly as an umpire the extent of the physical disability.

The board must provide all the medical treatment that is known to science. The board must provide all the rehabilitation services that are available. In other words, all the supportive mechanism must be given too, but the object remains to get him back to work and there is an incentive for it.

If his disability is 100 per cent, he will still get 100 per cent or a lump sum.

**Mr. Bullbrook:** May I carry this forward since you permitted me to interject? That is a very forthright statement because really, what you are saying to us is an analysis of the legislation itself.

If I might make a comment in connection with my comment, sir, that the common law right had been taken away, I certainly am glad, in all circumstances, since we do not have a jurisdiction of adequate award, in my opinion, here in Ontario, that it has been taken away. I suggested that we have taken that away and so it should colour the thoughts of the board. Obviously, it does colour the thought of the board.

**Mr. Legge:** I am sure it does. There are people who criticize us for it.

**Mr. Bullbrook:** Yes, I would think so. The problem that I see is this: basically, I was going to put to you that between what we call the general welfare system and the right to sue, I would have liked to see a Valhalla, if such could be characterized—

**Mr. Legge:** I will go for that.

**Mr. Bullbrook:** For example, if his wages were \$100 a week, in our system of evaluation until he gets back to work, and say earns \$60 per week—and he is able to earn \$60 per week he is assured under our system of his \$100 or his \$75 per week! When he is earning \$60 he gets the \$15 deficiency made up.

**Mr. Legge:** And he does.



**Mr. Bullbrook:** This is the thing. I do not think he does until he gets back to work.

**Mr. Legge:** Not until he returns to work. There will be a difference in our rates until he is working again.

**Mr. Bullbrook:** Mr. Legge, I think the polarization between what I would like to see and the essential aspect of the legislation is that really the attitude of the board is to use the compensation system as a catalyst to get him back to work.

**Mr. Legge:** Only in part. If you said that were absolute you would be unfair; but in certain cases, it is necessary to provide an incentive, as well as a retraining course for example.

**Mr. Bullbrook:** I think you will agree with the comment that I made previously, and I reiterate—that it is almost a general circumstance. Maybe my colleagues will disagree but I find in my files relating to workmen's compensation—and may I pay tribute to one A. Corbeau who happens to be the administrative assistant with whom I deal—

**Mr. Legge:** He is excellent.

**Mr. Bullbrook:** Yes. In any event, it seems to me, in connection with almost every one of the disability situations with which I am involved there is a reduction almost—if I use the word planned, it is unfair—but you can see it coming through. It seems to me that this—

**Mr. Legge:** But that is the medical evidence and it is reviewed. The ones that come to you have had that happen to them, but there is an infinity of cases that have not had it happen. I think really what we should do—and this is a very esoteric area of the administration—we should hear Mr. Azzarello, who is the chief adjudicator, the director of adjudication. Could you just speak to that point, Mr. Azzarello?

**Mr. Bullbrook:** May I ask you, do you think this is a worthwhile exercise from the point of view of legislation? I do not want to take up too much of your time, but I am really concerned with this aspect of disability together with rehabilitation and the fact that he is not working.

**Mr. Pilkey:** It is a real major problem. We all have some questions in this area.

**Mr. Bullbrook:** I do not intend to dominate it.

**Mr. Chairman:** We will have the man from the board.

**Mr. Bullbrook:** Yes, all right.

**Mr. Legge:** Mr. Azzarello.

**Mr. A. Azzarello** (Director of Adjudication): Under the legislation, it is stipulated that if the man is totally disabled he receives total disability benefits. If he is partially disabled, he receives something less in accordance with the degree of disability.

While I do not have actual numbers, our experience is that most men who are partially disabled do get back to work. The problem, as you have said, arises in those few cases where a workman, for reasons, does not get back to work and he therefore receives some lesser degree of compensation, 75, 50 or 25 or even less. When that condition becomes permanent, the man eventually would wind up receiving a pension in accordance with his degree of disability and his earnings.

The vast majority of the cases do get back to work, and in fact most of our temporary partial disability cases are paid on the basis of loss in earnings rather than on the basis of the disability, because they are working. The legislation provides for this reduction in benefits and we pay the man in that way, but it is not the majority of the cases.

**Mr. Bullbrook:** Mr. Azzarello, may I say this to you? You might recall, for example, a situation in my constituency. I recall once having a lump sum settlement offered to a man that equated—and I cannot remember exactly—to something like 0.6 per cent disability. That was the total offer by way of lump sum settlement. I found that. I wrote back to the board on it saying, "We have really become refined when you can assess the lump sum offer on something like 0.6 per cent."

However, the main thrust of my remarks is this. The chairman had said, Mr. Azzarello, that one of the purposes of the legislation is to see that the man is rehabilitated and gets back to work. That should be there. I just wonder if your thoughts—not yours personally, sir—the board's thoughts—

**Mr. Legge:** He has personal thoughts. He knows as much about it as anybody.

**Mr. Bullbrook:** I appreciate that, Mr. Legge. I am not referring to his personal thoughts. I am referring to the attitude in connection with production; that you are not more concerned with getting the man back to

work and using the reduction in partial disability availability to get him back to work, than in really making sure that he is able to subsist.

**Mr. Azzarello:** I guess part of my problem is in the analogy you are drawing of the man with the 0.6 per cent disability, which in fact would be a very minimal pension for possibly the amputation of the end of his finger down to the bone. It would touch the bone.

**Mr. Bullbrook:** I digressed on that. I am sorry.

**Mr. Azzarello:** The intention is not to force back to work by cutting his benefits. The intention is to pay him the benefits that the Act provides. As long as he is totally disabled he will get total disability benefits; and when he is something less than that he receives benefits accordingly.

**Mr. Bullbrook:** Sir, what comes through to us as laymen—to me as a lay person in this field—is this: A man has a back injury and he receives 100 per cent disability benefits. The injury is beginning to lessen and he is improving in his condition but he still cannot go back to work. It seems to me that perhaps—and I do not know this, I ask—there is a tendency to equate his recovery with the quantum of percentage he receives. But the absolute still remains—he cannot go back to work. Now this is what concerns me.

**Mr. Legge:** This is a rehabilitation problem, Mr. Bullbrook. I do think that we ought not to get it out of focus and I think that we should hear what Mr. Kerr has to say about the rehabilitation side of it.

**Mr. Chairman:** Mr. Kerr.

**Mr. De Monte:** I am just wondering—one question, Mr. Legge.

**Mr. Legge:** If this is agreeable, that is fine.

**Mr. De Monte:** That is fine. I just wanted to ask one question in direct relation to Mr. Kerr's answer.

Would it not be wiser to rehabilitate the man and pay him until he is rehabilitated?

**Mr. Legge:** Well this is a question!

**Mr. Chairman:** Mr. Kerr.

**Mr. W. R. Kerr (Director of Rehabilitation):** I have no figures on the number of people who are in this temporary partial disability category, as Mr. Azzarello has said. How-

ever, I can indicate the number of people who request our assistance.

One of the things that we do when, according to the Act, it is time for the man's compensation to be reduced on the basis of medical evidence, of course, he is advised. There are several things pointed out to him. One that if he has not contacted his employer, by all means to do so to see if he can provide suitable employment for him; and if he would like assistance from our vocational rehabilitation department please let us know.

Last year we had, I think, about 2,000 requests. Now I do not know what percentage that would be of all the people who are on partial compensation, because that figure is not available to us right now, but I do know that we have had that many requests.

So what we do in an effort to help him is when one of our rehabilitation officers in head office gets this request he makes telephone contact with the employer and with the workman himself and we try to expedite his return to work rather than referring him to the field man in the area, which we may have to do eventually.

In this way, we were able to return about 48 per cent of those workmen to suitable employment last year. Now sometimes he is not inclined to request our help, or when we get into it we find out that perhaps he cannot go back to work for some reason; maybe he does not want to go to another employer and sever his connections with the employer for whom he was working when he was injured, he may lose seniority rights. So not everybody wants our help in that connection.

We have had more difficulty of course in this current year and past year because of the fact that not as many jobs are available, and this does affect our rehabilitation aspect. I think we have to put that forthrightly and state this as a fact. Right now our caseload, that is active rehabilitation cases, is in the area of 3,100 compared with the end of last year, December 31 when we had 2,800; and the year before, 2,300. Now we still keep up our activities to help this man become suitably placed, but we are finding that pretty difficult.

In this area of incentives to get back to work we find, quite frankly, most men do want to return to work and most men do co-operate with us. We are in a position where we can give assistance to those whom we place on retraining programmes. Last year we put 736 workmen on retraining programmes, and we do have the legal authority



in the Act in that instance to pay him a rehabilitation supplement which in effect pays him the difference between his reduced compensation, let us say 50 per cent, and his full compensation while he is on the training programme. This is under section 53 of the Act.

**Mr. Bullbrook:** Are they made aware of this?

**Mr. W. R. Kerr:** Oh yes. Yes when a man goes on a retraining programme he knows this. And we pay for his tuition fees and his books and travelling expenses under certain circumstances, and part of this is our legal ability to pay him that extra, to bring him up to what he would have received on full compensation.

**An hon. member:** Is Canada Manpower involved in this?

**Mr. W. R. Kerr:** Canada Manpower only comes in in one instance, and that is where a man may qualify for retraining under the adults retraining programme, and if that is—

**Mr. Haggerty:** But they pay the shot.

**Mr. W. R. Kerr:** Well if I may just continue sir, sometimes they do, sometimes they do not. They are not uniform throughout the province. A lot depends on the local Canada Manpower centre.

**Mr. R. Haggerty (Welland South):** But if you can renege you will put it on Canada Manpower?

**Mr. W. R. Kerr:** No sir, no we do not renege. If I may just continue for the moment I will explain it. We are responsible for a man's return-to-work programme. We have had instances where Canada Manpower have said no, we cannot retrain that man and we say we feel this is what should be done; we have our funds for that and we retrain him if we feel this is what should be done. Sometimes Canada Manpower have to use their funds in other areas, they have priorities, and if we are in that sort of situation we are very fortunate because we have the money to use for that purpose and we do use it.

**Mr. Haggerty:** I will refer the case to you tomorrow.

**Mr. W. R. Kerr:** We would be very happy to see that.

Now there are instances where Canada Manpower may sponsor him and if he does not receive the equivalent of full compensation, even though they are retraining him at

their expense but we are responsible for his programme, we will see that he gets the difference between what he gets from them and full compensation. We are trying to be fair in that if he has anything extra coming to him from Canada Manpower he should have it, but he will receive no less than full compensation while he is on this authorized training programme.

**Mr. Bullbrook:** I have one more question. It has nothing to do with rehabilitation. I want to get it through my mind whether I could be of any assistance as a legislator in this connection. I am truly motivated sincerely in this respect.

Here, as I see it, there are block situations where a man has his leg cut off; we know that he is not going to be able to return to his employment as a professional runner—I exaggerate and perhaps I take a simplistic view. It is the grave areas of back injuries that we are involved with, Mr. Chairman, these partial problems of Mr. Azzarello, that I am really interested in.

The basic problem that I see coming through to me in my correspondence with my constituents is this almost schematic—and I do not like to use that phrase, but it appears that way; that is an offensive connotation and I did not mean it to be—reduction from \$100 to \$75 to \$50 to \$25.

As I see it, sir, this is based on improvements that are manifest to the person adjudicating the situation from medical reports, but the essential thing is that the man is not working at the time, and this is where I am wondering if we cannot do something in the middle ground that we talked of, between the general welfare state and the right to sue.

In the black and white situations the board has really no function except an administrative one. If the man does not have his leg then we know he cannot go back, but there seem to be so many cases involved in the grey area. Can we help in perhaps passing legislation that would enable, for example, that man to receive 100 per cent benefit until his doctor said he was ready to go back to work, he was ready to return to his original employment?

**Mr. Legge:** That is precisely what happens. When the doctor says that he is ready for employment he never says—or he rarely says—a man who is seriously disabled is ready for heavy work; he invariably says he is ready for light work, at which time his pension—which was 100 per cent by the statute—has to be reduced.



Another area, of course, is that which you refer to as schematic, which I do not find unfair. It is based on medical evidence, and if the doctor says he is somewhat better than he was last month when he was 50 per cent, the adjudicator then says he must only be 25 per cent.

I suppose you could say that the temporary disability should be paid in accordance with the extent of the disability but in any case not less than 50 per cent or something like that, which would be expensive.

**Mr. Bullbrook:** Well I do not know. I am not going to continue. I realize that you and all my colleagues have been most generous with the time—

**Mr. Gisborn:** Relatively few though!

**Mr. Legge:** Yes, very few.

**Mr. Gisborn:** But still very expensive.

**Mr. Legge:** If he went on for five years.

**Mr. Bullbrook:** Yes, but on balance this is the equation, this is the decision that must be made. If I might suggest there really is a balance wheel here. One is that if we are more liberal with our legislative attitudes in these circumstances and you carry it out in accordance with our liberal attitude, then it might invite malingering.

**Mr. Legge:** We do not find this is a major problem.

**Mr. Bullbrook:** All right, fine. But it might invite a lack of expeditious return to employment. On the other hand, it seems to me the present system is really too artificial, Mr. Legge. It seems to me there is a tendency on the part of the medical profession—I think they do hold some responsibility here—to tend to say that he is better than he was last week and therefore to interpret that fact in dollars and cents where they do not themselves recognize the significance of the interpretation indulged in and the sense that it might make. I basically feel this.

Somewhere along the line we have to come to grips I think and assist the board in assisting the workmen in this respect. I just feel it is too much of an onus to put on Mr. Azzarello and his staff, to really essentially decide how much money a man who is out of work is going to get in a compensable situation—that goes without saying. Surely somewhere along the line we can devise a scheme that in effect assures him of not coming to grips with this reduction all the time?

**Mr. Legge:** Every case is dealt with on its own, and it is the man's doctor who says he is able to go back to work.

**Mr. I. Deans (Wentworth):** Not in every case, not in every case!

**Mr. Legge:** Not in every case, no sir; but in the great majority of cases.

**Mr. Deans:** I have heard of cases where the man's doctor has said quite clearly he was not fit to go back to work and the board nevertheless cut his benefits. I want to ask you a question though. Could you please tell me what light work is?

**Mr. De Monte:** That is the question, is it?

**Mr. Deans:** Oh, I am sorry. I asked that in your stead. But what is light work? Have you ever asked a doctor to tell you what he means by light work?

**Mr. Legge:** Frequently.

**Mr. De Monte:** Does he ever give you an answer, Mr. Legge?

**Mr. Legge:** Well it is like your concept, or the concept of the member for Wentworth, or my concept. In its roughest form it is something less than he was doing; it is a most unprecise term.

**Mr. Deans:** If a man was a hod carrier—

**Mr. Legge:** Light work is not in the Act.

**Mr. Deans:** Okay. If a man carried bricks in a hod and that was all he had ever done all his life, what would you consider he was capable of doing if the doctor said that he was fit for light work?

**Mr. Legge:** Well all sorts of things, but I will ask Mr. Kerr to deal with that. What would you suggest, Mr. Kerr?

**Mr. W. R. Kerr:** Well in a situation like that, of course, I am sure the claims department, as does the rehabilitation department—we do not always accept what the doctor says when he says the man is fit for light work, we have to take a look at it and see the description of the man's actual disability. I am not in the adjudication end of it, but I have seen many cases where the local doctor has put down light work and it has been rather obvious when you read the report and the description of the man's condition that he really is not fit for "light work".

Now we will go right back to your question. Light work is a term that I never use.

**An hon. member:** Everyone else does, though.

**Mr. W. R. Kerr:** It is bandied around, but it means the type of work that the man is capable of performing in his partial disability category.

**Mr. Deans:** Is that taking into consideration his skills or simply his physical ability?

**Mr. W. R. Kerr:** No, it has to take into consideration his skills as far as I am concerned.

**Mr. Deans:** Well how does the doctor assess his skills?

**Mr. W. R. Kerr:** This is why I say the adjudicator who looks at that has to look at the description of the man's disability. He also has regard for many factors—what about his age? What about his employment, as you point out? I think you have to take a look at the whole situation.

**Mr. Deans:** Well what do I do when I come before the board—a man has been reduced from 100 per cent to perhaps as low as 15 per cent over a short period of time, simply because his doctor has said that he is capable of returning to light work. That is a medical definition of his condition, that in the doctor's opinion he has now progressed medically to the point where he could do some form of light work—God knows what it is, but he could do it.

And the man has done only one job all of his life—he has been a labourer. In other words, he has done most of the joe jobs. And then you find out that when you come to the board, it is the doctor's opinion, his medical evidence, that is the base upon which the board's decision is made, and you cannot produce medical evidence to show that he is not capable of doing any other kind of work because it is simply a matter of not having any skill.

**Mr. W. R. Kerr:** Well in that situation I think you will find, to, that the rehabilitation department has been in to test the man to see if he has skills, to see what his past experience is.

In this example you have given he apparently only has one job that he has done in his lifetime, but we have methods of testing to see if he has any other aptitudes. We put them on training programmes which I have mentioned. If a man has any aptitude, we will retrain him in that instance. We will put

him on upgrading of education. We will teach him English if he does not happen to speak English—and this is part of the problem. So we do everything we can to develop his skills and see what he has left; to develop any abilities that he may have.

**Mr. Deans:** Why then—

**Mr. Pilkey:** With great respect, surely the rehabilitation officer does not make the determination even though there is some form that says this employee is available for light work, the doctor says he can do light work—surely they do not make that determination? Someone else makes the determination as to what the total partial disability benefit will be. It has nothing to do with the rehabilitation branch.

**Mr. Chairman:** Mr. Hamilton will comment on this.

**Mr. D. F. Hamilton** (Commissioner, Workmen's Compensation Board, Ontario): Mr. Chairman, maybe I can bring this thing into some kind of focus. The whole thing revolves around the 50 per cent return to work, what is light work, why should a man go back to work and this whole area.

As I say, I have argued this thing for years from the other side of the fence and I have always argued that a man should not be deprived of his livelihood. If in fact he got hurt on the job, he should be provided for until he gets back to the job.

**Mr. Deans:** What happens if he is dismissed?

**Mr. D. F. Hamilton:** Will you let me finish? And then when I get done, I will answer your questions, please.

Now we start back with the man gets hurt and then he gets better. Now, whether you should carry him at a 100 per cent until he gets back onto his other job is a very, very debatable, rehabilitative or factual or arithmetical question. I do not think that that is feasible, possible or probable, but I do say that the board has to satisfy itself, in answer to the question of the member for Wentworth, after hearing the doctor's advice, after hearing rehabilitation advice, or after hearing advice on what employment is available. The board must first assure itself that he is physically capable of doing something, and then in the best interests of that person get him back on some kind of gainful employment on the road back to his former job.

Now whether you want to call it light work or work available or what he is skilled or able to do; and I think that—

Mr. Deans: May I ask—

Mr. Chairman: Mr. Deans, please! Let him finish his answer, please. If you wish to ask questions—

Mr. D. F. Hamilton: I will just take a moment to round this out and I will answer your questions afterwards. I think that you then help him on the road back, find him some kind of employment which is a rehabilitative measure to get him back on the road to his original employment where he will be making full wages at that time. And I, for one, think the 25 per cent thing is outmoded and unrealistic. You were talking about legislation; if it requires legislation, I think that the 25 per cent thing should be, even in the board's mind and in the legislator's mind, it should be outmoded. But I think the 50 per cent place is a good place to stop, review it, and the board make damn sure that they satisfy themselves that he is 50 per cent better at that juncture. And then the next step the board should take, in conjunction with the employer, is get the man back to some kind of gainful employment and if you want to call it light work, or whatever you want to call it, at that juncture, the rehabilitation department takes over and sees that the man does not suffer, whether you at that juncture have to integrate welfare or something in order to make the thing work, then you integrate it at that juncture and take care of the man in a manner that is fitting.

And I think with that kind of an overall look at it—the board has judgements to make, the rehabilitation people have judgements to make, the doctors have judgements to make, the legislators have a role to play, and so do the welfare people. If we can all work together, in an honest, harmonious way, I think we can do a better job for the man who gets hurt.

Some hon. members: Hear, hear!

Mr. Deans: May I just pursue one question?

Mr. Sopha: I do not like that welfare comment.

Interjections by hon. members.

Mr. Chairman: Just a minute, gentlemen. Mr. Deans was asking the question.

Mr. Deans: May I ask one final question; and I listened very carefully.

You say that you must then seek some form of modified or light work to assist him in getting back to his former occupation. What becomes of the man with 25 years of service in—for the want of a better place you name it, any company. The company says: "We have no modified or light work to suit you at the moment."

There is a possibility, a probability—it is almost definitely sure—that over a period of time he will return to full capacity. Are you going to ask him to go and take some menial job someplace to fill out the period between the time that he is not able to return to his former employer with whom he has 25 years of service, until he is ready to return to his normal work and find that he has lost all of his seniority, all of his right and the possibility of employment? Is he going to lose all of those while he works for some guy in a chicken factory?

Mr. D. F. Hamilton: No, I would not suggest that for one minute.

Mr. Deans: That is what happens.

Mr. D. F. Hamilton: No, I do not think so, not in one minute. I think you then start to deal with the man as a man. You go to his original employer and say: "You have no light work but we want you to maintain his position in that employment while we find him work that will rehabilitate him." And you have the whole scheme worked out for that man so that he returns to his former employment, and I think that everybody should be working to get him back to his former employment.

Mr. Deans: But this is not done.

Mr. Legge: Oh yes it is done.

Mr. D. F. Hamilton: It is done, not in 100 per cent of the cases, but great endeavours are made to do it.

Mr. Deans: I am not saying—

Mr. Chairman: Order please!

Mr. De Monte: You are not trying, let us put it this way.

Mr. D. Jackson (Timiskaming): Mr. Chairman on a point of order, where do we come into this questioning?

Mr. Chairman: Well in turn. I will give you the floor in turn, but you must indicate



that you want to speak. You also must indicate—I have a whole list here and if you wish to have a place in the scheme of things, I will give you a place, but you must indicate that you want it and take your turn when it comes. I have to be fair to all sides here.

**Mr. Jackson:** That is fine, Mr. Chairman.

**Mr. Chairman:** But you have not indicated, Mr. Jackson, that you wanted to speak.

**Mr. Sopha:** As it stacks up you are on Friday morning.

**Mr. Chairman:** Mr. Jackson, you have not indicated you wish to speak. I will put you on the list now.

**Mr. Pilkey:** Surely we can keep this within some kind of order?

**Mr. Chairman:** I have to have order too, Mr. Pilkey.

**Mr. Pilkey:** I appreciate that, but we do not want to be all over the map.

**Mr. Chairman:** Really, the floor belongs to Mr. De Monte because, originally, I allowed his friend to interfere and interrupt. Really the floor belongs to Mr. De Monte.

**Mr. Bullbrook:** I am glad I interrupted there. I think we have got a very essential answer.

**Mr. Chairman:** Mr. De Monte do you wish to—

**Mr. De Monte:** Yes, I wanted to ask Mr. Hamilton, in view of what he said, would it be of assistance to the board to have legislation provide that the company where the man was injured, for instance, would be required to supply the definition of light work as you give it? When the doctors say light work, I take your definition of that as some kind of work to rehabilitate him.

Would it not be in our power to say that the company must take this man back at whatever reduced rate is necessary, in conjunction with what you might be paying him—the board might be paying him—in order to rehabilitate him? Would that be too much of an onus to place on the company?

**Mr. Legge:** The only major jurisdiction in the world that we know of that has compulsory employment aspects for disabled people is Britain, which requires that they

hire a certain percentage of disabled. They usually try to take that percentage of disabled from their own disabled. As a rehabilitation measure, I think by common acceptance, it is considered to be most unfortunate because they only have a make-work project for them. It is anything that will keep them on the payroll. As a rehabilitation measure it is most soul-destroying; nobody has rushed to follow this. I guess it has had at least 25, 26 years' experience in Britain; perhaps 30.

**Mr. De Monte:** Really, you are using as a tool of rehabilitation the fact that you cut the man down, on the doctor's report to you that he is capable of doing some kind of work. Therefore you cut him down and say, "You have to find some light work." If we get to the point where he cannot find the light work then, as Mr. Hamilton I think intimated, perhaps the burden should be placed on the social service aspect of our economy rather than the industrial complex that, in a sense, contributed to the man's condition in the first place.

**Mr. Legge:** There is not a single cause for the insoluble cases. In most instances, there are multiple causes.

**Mr. De Monte:** I appreciate that.

**Mr. Legge:** I do not think that Mr. Hamilton was trying to say that the welfare system should take up part of the—

**Mr. De Monte:** No.

**Mr. Legge:** —the board's responsibility because that certainly is not his position and it certainly is not my position. Every single part of the disability that flows from the industrial accident should be met by the board and is met by the board.

Let me reiterate: The board does not reduce a man's pension as a rehabilitation measure at all. It reduces it because of the sections of the legislation which rightly say, I suggest to you, that compensation must be paid in accordance with the extent of the disability.

Now if we can get into some flexibility, as Mr. Hamilton says, so that the board does not have to carry that out absolutely but the board could have a discretion so that it does not have to reduce the pension below, say 50 per cent, this might be a palliative. It is going to help a few people; it is not going to solve the rehabilitation problem, but it might help.

**Mr. De Monte:** Do you suggest then, Mr. Legge, that you do not really have the discretion?

**Mr. Legge:** I do not really want to read the Act, but I will have Mr. Azzarello read it.

**Mr. De Monte:** No, I have read the Act.

**Mr. Legge:** I think you should all get that on the record, if I may say, because it is quite explicit on what has to be done.

**Mr. De Monte:** I am familiar with the Act. I am saying that perhaps—I suggest to you—you have more discretion than is set out in the Act.

**Mr. Legge:** As both Mr. Hamilton and I have suggested, this is a marginal area, where discretion, I think, would improve the attitude of people to compensation and therefore it would be a good rehabilitation thing—

**Mr. De Monte:** I would agree with that.

**Mr. Legge:** —but do not expect miracles.

**Mr. De Monte:** I would agree that if we changed the Act; in other words you are telling us that you would like more discretion?

**Mr. Legge:** In that particular area, I think it might be helpful.

**Mr. Chairman:** Mr. De Monte, let us have the section read so that we will all understand.

**Mr. Azzarello:** Section 41 of the Act reads:

Where temporary partial disability results from the injury, the compensation shall be a weekly payment of 75 per cent of the difference between the average weekly earnings of the workman before the accident and the average amount that he is earning or is physically capable of earning as determined by the board in some suitable employment or business after the accident, and is payable so long as the disability lasts and subsection 3 of section 42 applies.

**Mr. Haggerty:** About as broad as it is long.

**Mr. Gisborn:** We do not want the minister to read that section; we have read it many times.

**Mr. Sopha:** That is a horrendous section. That gives far too much discretion to the

adjudication process because there are all sorts of arithmetic calculations that an individual—Mr. Azzarello or someone else from his staff—has to make. In many cases, on the plain reading of that it would end up with a very arbitrary determination affecting the livelihood of the worker. I hope the minister heard that.

He has heard the discussion that it is really incumbent upon the minister to bring in legislation to change that. So that we, as legislators, fix an arbitrary percentage that the workman should make without all the—the word esoteric has been used and it is a very germane one—calculations made by a bureaucrat on the board which affect a workman 1,000 miles away in Atikokan, whom he has never seen and for whom he must determine arbitrarily the amount of money that he thinks he is capable of making. He is often not making it; he is not bringing home a dime.

**Mr. W. Ferrier (Cochrane South):** Right!

**Mr. Sopha:** The faster we change that, now that the problem has been bared, the easier our consciences will rest in respect of these many thousands of injured workmen in this province.

**Mr. Chairman:** Mr. De Monte, do you wish to speak?

**Mr. De Monte:** No, I think I had better—

**Mr. Chairman:** Mr. Pilkey.

**Mr. Pilkey:** I want to get back to this question of the doctor making a determination that an employee is capable of light work and the board then reduces his benefit to 50 and 25 per cent. You know, with great respect, Mr. Legge and Mr. Hamilton both brought in this question of The Department of Social and Family Services.

**Mr. Sopha:** No, they called it welfare.

**Mr. Pilkey:** Okay, they called it welfare. I am being a little more kind. Mr. Legge brought it in in the first instance. I do not happen to think that workers should suffer the indignity of having to apply for welfare as a result of an injury in a plant. You initially said that—

**Mr. Haggerty:** Or veteran's pensions!

**Mr. Pilkey:** —that the cost is in reality a tax, but many of these costs that employers have they do not pass on or cannot pass on

to the consumer in every case; they have to absorb some of it. But in this situation there is no question about it.

If an individual has to suffer the indignity of applying for welfare, there is no question that the cost is passed on to the general taxpayers of this province, as opposed to the employer assuming the cost from his profits which become a legitimate cost. It seems to me that that is where the cost should apply.

**Mr. Legge:** There is no point the member for Oshawa getting cross with Mr. Hamilton or me. We did not write the legislation. The legislation says that this reduction shall be made. Now then we would be delighted if there was not such a section—

**Mr. Pilkey:** I appreciate that, but I do not think that we need to—

**Mr. Ferrier:** The minister had better pay some attention.

**Mr. Pilkey:** Right. This should not be related—

**Mr. Sopha:** It is the minister who should be motivated. It is the Act that has to be changed.

**Mr. D. F. Hamilton:** I want to make my position clear. I was talking about a rehabilitative process and I agree with the member for Oshawa 100 per cent. The only time that the welfare—and I mention, simply, that when a man is on a job, bricklaying was mentioned, and the job is completely finished, the man has to be 100 per cent capable of returning to his former job before welfare even comes into the picture.

**Mr. Pilkey:** Okay, I misunderstood what—

**Mr. D. F. Hamilton:** I am sorry there was a misunderstanding but he has to be 100 per cent capable of returning to his former employment. As you know and I know many times his former employment has disappeared at this juncture. He is a well man and he is back on the labour market.

**Mr. Pilkey:** I am not talking about that individual, frankly. I am talking about the individual who gets a 25 per cent benefit under The Workmen's Compensation Act and who obviously can do light work. At this point—

**Mr. Legge:** If it were available!

**Mr. Pilkey:** —his employer says "I have no light work," and he has to suffer the indignity

of having that 25 per cent supplemented through general welfare in this province.

I am concerned about that individual. I do not think he should have to suffer that indignity and that inhuman act of applying for welfare. He may never have done it in his life. The total responsibility for that individual is the Workmen's Compensation Board's in my view. It is its total responsibility through the structure of raising money through the employer.

I want to say too in this regard that I think this 25 per cent—and even 50 per cent for that matter—partial disability benefit sure as hell creates an incentive for that guy to get back on the job. There is no question about that! It appears to me at times that his pension or his benefit is reduced to provide an incentive for that individual to get back on the job, even though he is not capable—physically capable, I should use that term—of returning to this job. He has to do it or his family is suffering.

I just do not think that a person's standard of living should be reduced because he is injured in an accident. I think that the board really has to find a solution to that problem.

**Mr. M. Makarchuk (Brantford):** I wonder if we could get some comments from the minister on that matter? You know the legislation can be drafted over the weekend. How do you feel about it? It seems to me the matter was laid fairly open and it is in your hands right now.

**Hon. Mr. Carton:** I am listening for the first time, frankly, to the estimates of the Workmen's Compensation Board. I report to the Legislature for the Workmen's Compensation Board. If there are any amendments they have to be brought through me—

**Mr. Makarchuk:** Right!

**Hon. Mr. Carton:** —but the Workmen's Compensation Board does not come under my jurisdiction for day-to-day operation. I am learning just as much as you are.

**Mr. Makarchuk:** We realize that, but you have heard—

**Mr. Chairman:** Mr. Makarchuk, I will put your name on the list.

**Mr. Makarchuk:** Perhaps the minister has some opinions outside the fact that he is learning about the board?

**Mr. Chairman:** He will have opinions when he is asked to comment.



**Mr. Makarchuk:** We would like to hear them.

**Mr. Chairman:** Let us have the other gentlemen make their comments or ask their questions, and we will bring out more of the subject matter for the minister to make comments on.

**Mr. Sopha:** Where am I on that list?

**Mr. Chairman:** You are down at the bottom.

**Mr. Sopha:** Where is the member for High Park?

**Mr. Chairman:** Listen gentlemen!

**Mr. Sopha:** Has he lost interest in this board?

**Mr. Ferrier:** No, he will be here.

**Mr. Chairman:** Mr. Sopha—

**Mr. Sopha:** This board never functioned better than when he has it under review.

**Mr. Chairman:** Mr. Sopha, you wish to speak so I will put your name down. Mr. Pilkey, have you got anything further? Mr. Gisborn?

**Mr. Gisborn:** Mr. Chairman, the comments have been made and we think—

**Mr. Chairman:** Fine! Mr. Ferrier.

**Mr. Gisborn:** Just a moment now! I think the point made by most of the members has been the one that has been uppermost in our minds as members of Parliament who receive the complaints. I think we have to agree that we are touching on the problems in the things we are talking about. The worker who has the lesser occupational rates and the lesser skills; who has both the injury to cope with and the recovery from the injury, then the emotional impact, he cannot go back to the job and he is then cut off.

**Mr. Legge:** As the member for Hamilton East knows, on the question of the superimposition of an emotional disability in connection with a physical disability resulting from employment, in the last few years there has been no distinction. We are paying for people who have had traumatic experiences emotionally with rather minor disabilities. It is all a question of the medical evidence. We do not distinguish between the two, as the member for Sarnia can tell you, in the TDI cases.

**Mr. Gisborn:** I was not going to infer or talk about a distinction, but it exists.

**Mr. Legge:** Yes, and they are compensated.

**Mr. Gisborn:** And the medical doctors! The home town doctor, when he makes his assessment, is also faced with this kind of an assessment too.

**Mr. Legge:** Quite so!

**Mr. Gisborn:** And when he makes a decision that the man is ready for light work, he is also thinking about a therapeutic betterment for the injured.

**Mr. Legge:** No question!

**Mr. Gisborn:** He is not concerned—it is not his responsibility—about the financial end of that man's problem. I think some of them are to an extent, but that is not in his jurisdiction and he is making a medical judgement.

**Mr. Legge:** Sensitive human beings have to be aware of this. It is more important than the trivial disability in many instances.

**Mr. Gisborn:** I think that this discussion has been good. I think Mr. Hamilton has moved in a direction that I think had to be taken.

I know that some of the board members think the same as I and many other members do, in the sense that sometime or other, encroachment has to be made upon the toes of management in moving, maybe not to the direct position of mandatory re-employment, but some approach for their co-operation in this area. What we are finding in the few cases—if they are a few; one in my position or any other member's position cannot tell how many there are. When he gets that one, those two, three, or perhaps half a dozen cases in a year they seem most important to him, but to the board it may seem like a minor number.

**Mr. Legge:** No, we do not think it is minor. We think it is a major problem.

**Mr. Gisborn:** The first thing we get from the chap is, "I have been told I am ready for light work. I have applied to my employer and he says there is none." Right away he has a real deflation; he is down. He then, maybe, will try to get a job.

**Mr. Legge:** Then Bill Kerr's team helps him try to get a job.

**Mr. Gisborn:** He is told, apply for a job either through Manpower training or to another employer. The employer asks these questions. They are pat questions; if you have been on Workmen's Compensation how long ago and this sort of thing, and there are forms they fill out.

If the person wants to get a job and he has had cause to be on Workmen's Compensation, he might get a job if he lies. But not many of them are made that way. They tell the truth, but they do not get a job. And they know that is the reason they do not get a job in another industry, no matter how menial it is.

This is the nub of the thing. So some way has to be found to get over this blockage. It all ends up with finances—the guy retaining his income.

I raised the question with the Minister of Social and Family Services (Mr. Wells) during his estimates about how many people were applying for benefits under The Family Benefits Act who were also receiving a partial pension from the Workmen's Compensation Board. For the first time they admitted there were many, and they are going to give me the figures.

It is these people who have felt they were protected by Workmen's Compensation who are now relegated to application for one of the public assistance programmes. They have found themselves in that group that is suffering the indignities of being called bums at the present time from some areas, being told they will have to go to work if they are going to receive it. This is the problem.

**Mr. Legge:** This problem, as the member for Hamilton East knows, is approached in the United States from an entirely different point of view by having fixed sums of money and fixed periods of time. You get 52 weeks for an amputation—this kind of thing—so that it is all based on an insurance concept. If we are going to discuss this fairly, we have to look at it in terms of rehabilitation, which was the point of beginning.

I think the thing that Mr. Hamilton and I offered for your consideration is perhaps that there should be a removal of the underpinning to the words, "shall be paid in accordance with the disability," so that instead of being reduced from 100 per cent to 25 per cent, there is a floor put under this, perhaps of 50 per cent. But other jurisdictions handle it much more savagely by saying there is a fixed time limit.

I think that we really should not feel this is a bad system. I do not feel obliged to defend it, because I think that all of you know as much about it as I do. It is a very good system and it is much better than most, but there is a point here that is causing concern in this labour market. We share the concern, at least as much as you do. It is very troublesome.

**Mr. Gisborn:** Yes, I just want to continue because I was leading up to a couple of main points.

**Mr. Legge:** Yes sir.

**Mr. Gisborn:** I am sure the board can make good recommendations to the minister, fair recommendations, that may help the whole situation.

**Mr. Legge:** Yes sir.

**Mr. Gisborn:** I am sure we all agree that the new minister is in a position of not being completely familiar with the board. I do not know how any minister could be, you know, with his other duties and that sort of thing.

What has to be brought about is an advisory committee of some type, whether it be one person, two persons or some kind of a committee, that can go to the minister with certain advice or recommendations that might mean that certain areas of the Act can be taken into consideration. That is all I want to say on that point.

I want to raise another point and I am talking to the minister on this point because the minister is the person who is responsible to the Legislature. We can only convey what we feel should be changed to him to consider and take up with the people that he will have to discuss it with. That is removing the \$7,000 limit on the applicable amount of 75 per cent. I do not have to elaborate some of the reasons, because that now leaves the maximum of \$101 a week for anybody injured and we know that the rates have changed drastically in industry where they ranged up to, I guess, an average of \$9,500 in Stelco at this point. Getting injured is a hardship also on one that is making that kind of money; he automatically has a great loss in his take-home pay. A person that is on \$7,000 or \$6,000 does not have that sudden jolt and that is one of the points which should be given consideration by the minister.

**Hon. Mr. Carton:** I already have this under consideration.



**Mr. Gisborn:** I will leave it at that.

**Mr. Chairman:** Mr. Ferrier.

**Mr. Ferrier:** Yes, Mr. Chairman, I would say that many of the things that involve compensation, really involve, if there is to be improvement, amendments to the Act and not the operation of the board. I have found that I have had utmost co-operation from the board in the numerous cases that I have brought to them. I would like publicly to say my thanks to Mr. Lloyd Brousseau, who has handled the problems that I have brought to him with a great deal of concern and a great deal of efficiency.

There are several problems that I would like to touch on in the time at my disposal here. One has to do with the level of pensions, especially in older claims where a man got hurt some years ago and has a disability and the amount of pension is fixed at the value of the dollar 10, 15 or 20 years ago. I think some way should be found to adjust that in terms of the cost of living index, or some other method, to pay more realistically for the loss of earnings that his disability will cost him on today's labour market, rather than at the rate he was making some 15 or 20 years ago.

I think this is only fair. I suppose one might say that even the widow's pension is becoming rather low and that it should be adjusted upwards, if at all possible, as well.

In connection with this 50 per cent business, I think it works a hardship, especially on older men, who are not too well educated. In my own area it works a hardship with those who are in the mining or the lumbering industries, the heavy industries, because there are not very many light duty jobs in the mines, and while the rehab department do their very best, sometimes with the kind of industry that is at their disposal they are beating their heads against a brick wall.

In our part of the province I realize that the man who has been working there has been ill and has not been able to devote his time to the caseload that is there, but I would say that we would appreciate it if assistance can be got in there to help with that particular rehabilitation problem in the northeast.

There is just one other problem that I want to deal with. I suppose your hands are tied in terms of medical knowledge and the particular level of understanding in the whole silicosis field, but it is one area where we

have had appeals and we have discussed it quite extensively.

I remember at a hearing not too long ago, at the tribunal stage, where a doctor appeared for the particular claimant's widow. He made the statement that in his opinion the clinical findings suggested that there was silicosis, but that in terms of the radiological evidence it was not there.

He communicated to me afterwards that the particular medical association in our community were not always too happy about the kind of adjudication that was given to silicosis claimants, because he felt that the radiological diagnosis was not always determinant—they felt that clinically they could establish that silicosis was often present in these miners.

I know The Department of Mines and Northern Affairs has Dr. Patterson doing another comprehensive study of this question, and probably you will be guided by the conclusions that he comes to at this stage.

**Mr. Legge:** Very much so.

**Mr. Ferrier:** I do not know how one gets around this problem of widening to some degree the kind of disabling lung conditions among men exposed to silica dust for a long period of time. Obviously you see a number of these people and they have serious breathing problems and so on, and you wonder seriously if the whole exposure has not been a significant contributing factor. It might be that emphysema has developed or chronic bronchitis and so on. I hope some way can be found to widen this whole area of lung conditions in miners who have worked a long time in the dust exposure.

I cannot offer a solution. I know it is based on medical findings and so on, but I just have a strong wish that there were some way that can be found to give them a little more assistance. I suppose one of the problems with some of the miners is that there has never been a pension scheme in the mines, and when they get to the end of the day and there is no pension money coming in that, even if they are not terribly disabled from a lung problem they have some lessened capacity; and they feel that somehow or other the compensation board should pay them the pension that the mine has not. I think it is a transference type of mechanism that often goes on in their minds.

In many others there is certainly a lessened capacity for breathing and it certainly restricts their lives. I feel very deeply about it. It is



a very difficult problem, as the chairman knows. We have agonized over a number of these together at hearings and so on.

**Mr. Chairman:** I wonder if Mr. Legge—

**Mr. Sopha:** Not one of those mines at Timmins had a pension scheme. Not one of them. The Hollingers and J. P. Bickells were great humanitarians.

**Mr. Chairman:** Could you let someone else ask further questions?

**Mr. Ferrier:** Well, I pretty well made my presentation. I do not know whether the chairman wants to—

**Mr. Chairman:** Mr. Haggerty then.

**Mr. Haggerty:** Yes. Pretty well everything has been discussed—

**Mr. Chairman:** The chairman would like to comment.

**Mr. Legge:** I think Mr. MacDonald could perhaps say a couple of words historically on the two major problems you raised, the first being the diminishing value of pensions and the second one being the obscurity of diagnosis and test conditions in miners. Historically, Mr. MacDonald.

**Mr. A. G. MacDonald:** Mr. Chairman, there are only two ways of dealing with the diminishing dollar concept in compensation. You either do it by the cost-of-living approach, as some provinces have done by increasing the pensions from year to year by a percentage, or as it has been done in Ontario here, by establishing a minimum permanent disability pension. It was increased to \$100 a few years ago and it is now \$175; so that all pensions, regardless of earnings prior to that, have a minimum pension at 100 per cent of \$175 and proportionate amounts—

**Mr. De Monte:** That is for permanent disability.

**Mr. A. G. MacDonald:** That is for permanent disability, but 50 per cent is half of \$175 and, as the minister has indicated, the compensation basis for those pensions are reviewed cyclically; this will be reviewed, and I think will be adjusted as the need indicates. That is the only way to do it as I see it.

**Mr. Gisborn:** You were not serious when you said something about after the next election?

**Hon. Mr. Carton:** What was this?

**Mr. De Monte:** The minister said that?

**Mr. Ferrier:** Did the minister say this?

**Mr. Gisborn:** Yes, sometime earlier this evening the minister said, "Get us re-elected and then we will have a look at it."

**Mr. A. G. MacDonald:** Well I think it was in a different context.

**Mr. Ferrier:** You do it before the election, and you will have a chance to get re-elected.

**Mr. Chairman:** Mr. Haggerty please!

**Mr. Haggerty:** Yes, Mr. Chairman—

**Mr. A. G. MacDonald:** I think we agonize the same way that many of you gentlemen do over the kind of case where obviously the man has a need, but medically we are told he does not have a disability, and the Act is quite clear. There has to be a medical assessment of disability. We are not a welfare Act, and that is just the way it is.

The silicosis cases are quite difficult. In this case, the board uses the best experts available to it to assess the silicosis cases; these are the doctors on the silicosis referee board—we call it the chest services advisory committee, which is part of The Department of Health—and Dr. Patterson and others are brought in on the more difficult cases. But there has to be a medical disability reported to the board, evidence that we can deal with, or we cannot make the award.

**Mr. Ferrier:** How does the Act read in this particular?

**Mr. A. G. MacDonald:** Disability.

**Mr. Ferrier:** Does it give you any leeway in terms of clinical evidence versus radiological evidence?

**Mr. Legge:** The problem of course is that a disability without a diagnosis is not a disability in the chest business. We have been through this a thousand times with the experts. Unless they can make a diagnosis of that disability, a medical diagnosis, then there is no way of attributing that disability to the employment.

**Mr. Ferrier:** Some of these conditions, I suppose, are multiple.

**Mr. Legge:** Of course, that is right.

**Mr. Chairman:** Mr. Haggerty.

**Mr. De Monte:** Could I just ask one question? I suppose you recognize all types of industrial diseases that are directly related to employment?

**Mr. Legge:** All types. Yes, we have an omnibus clause—anything that is directly related to the employment.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Yes, Mr. Chairman. I think many of the topics have been discussed, but I want to go back to the grey areas dealing with the back injuries. I know of the number of compensation claims that I have dealt with, the biggest percentage of them have been placed on welfare or received Canadian veterans' assistance. Some place along the line I think the board is tending to renege on its responsibility when a person has to go to the Canada Veterans Affairs for assistance. You have to pass a medical examination to be medically unfit to be employed, and sometimes there is a little discrepancy between the Canada veterans assistance medical staff and the workmen's compensation.

The other concern I have is that in many cases where persons have had back injuries, they are dismissed by the employer. What happens in this particular case, where there is a letter stating that his services are no longer required because he can no longer perform his duties? In many cases these persons are, you might as well say, kicked out the door and given about an 18 per cent partial permanent disability by the board.

**Mr. Chairman:** I think Mr. Kerr covered this.

**Mr. Haggerty:** No, he did not cover that section.

**Mr. Legge:** Shall we ask him, sir?

**Mr. W. R. Kerr:** There is no law that says the employer has to hire the man with the unfortunate back condition. What we try to do is to provide him with another skill or try to find him suitable employment.

As you were talking about backs, it reminds me of our training programmes. Of the 736 men we put in training last year, 55 per cent were men with back conditions. So we are putting quite a few men with back conditions into training programmes. We have emphasized this more this past year because we seem to have more success in retraining these back cases for a specific job or skill than by taking the approach "Let us

just look over the job market and see what we can get."

In fact we evaluated 206 cases vocationally to see what the men's skills and potentials were. A lot of those were these men with backs who ended up by going on the training programme. I think so far—and this is a very difficult area because there is no cynosure for all this—we find we are emphasizing the retraining programme for men who have back problems and perhaps are in a position where, as you have mentioned, the employer cannot provide them with employment and in fact says, "I am sorry, here is your walking ticket." The approach we take is that he is entitled to anything we do for him; and we do every thing we can.

Let us face it, there are some cases where we are not successful. But we will do everything we can. We found in the past year that retraining is perhaps the best approach.

**Mr. Haggerty:** But do you not think that company has some obligation to that person? I mean, he has been injured, in many cases he will never be able to be gainfully employed. Today it is tougher to get into many places, today before you gain employment you have to go for a medical examination. Now they are even taking x-rays of the spinal cords, the spine. It is making it tougher day by day.

Now these persons cannot be gainfully employed, nobody will hire them. You talk about light work; I do not know what they can do. But some place that man has been dismissed by that company, and I think it has an obligation; that company has an obligation to this man.

**Mr. W. R. Kerr:** I certainly agree with you, sir.

**Mr. Haggerty:** Unless the board wants to go back and say to this man—or this man go back to the company and say: "Look, you give me back my back the way it was before, give me my earnings that I earned back in 1961." It may be \$6,000, but today with the combined Canada Pension assistance and with the pension from the Workmen's Compensation it amounts to about \$238 a month.

**Mr. Chairman:** Mr. Legge, I wonder if you would answer Mr. Haggerty?

**Mr. Legge:** Yes, I will sir.

I agree with him the employer has a responsibility and in those cases we are often in with the employer doing everything we



can to show this employer that here is a man who has some abilities that he can use. And we have had our men go right through an entire plant trying to find employment that we feel the workman can do for that employer. This is not unusual, for us to be in there before that final decision is made, and in some instances we convince the employer to give this man a chance: "We are certain that he can do a good job for you"—and we are successful in some of those areas.

But let me be quite honest, sir, we are not successful in all of them. There are situations that develop as you suggest, but we are in there to try and prevent that if we possibly can. Frequently the workman, when he is being interviewed by the rehabilitation officer, will tip us off. He will say: "Look, I think I am not going to be successful in getting a job with my employer." Well, right away we get in there to try and prevent that from happening.

**Mr. D. F. Hamilton:** I must make it perfectly clear that in the final analysis we have no authority to order the employer to take him back to work. There is nothing in our legislation.

**Mr. Haggerty:** But yet he has an obligation though!

**Mr. D. F. Hamilton:** He might have an obligation and I quite agree with you he has an obligation, a moral obligation; but we have no legal way from the board's point of view to insist that he does.

**Mr. Haggerty:** So all he can do is go out and try to pick himself up a job or get employed; and if he is refused come back to the board and say: "Look, I have got all these objections that they will not hire me because of my back injuries, now what am I to do?"

**Mr. Legge:** But as Mr. Kerr says, that man is not alone in this. From the word go Mr. Kerr's people are on his side and they are very persuasive, really, in getting employers to take people back. And they are very persuasive in getting other employers to hire them. The statistics are very good.

If I may ask, what was your first question about the contretemps between The Department of Veterans' Affairs and the Workmen's Compensation Board?

**Mr. Haggerty:** I said that I think the Workmen's Compensation Board are renegeing on their responsibilities. I mean why should this

person go to the Veterans' Affairs to get, say, \$200 assistance?

**Mr. Legge:** Are you speaking, sir, of the war veteran's allowance?

**Mr. Haggerty:** That is right.

**Mr. Legge:** Well, any veteran whose income is below a certain figure is entitled to war veteran's allowance if he was (a) wounded; or (b) if he served overseas. And I would be the last one—certainly the Workmen's Compensation Board would not say: "You cannot pick that up." If a man has a permanent disability pension of, say 10 per cent, and he is an older person, which is the only kind that can get war veteran's allowance, then he most certainly should get the war veteran's allowance, because he is entitled to it—because part of his aging process is attributable, in theory, to his overseas service or to his war wounds. Those are the only two criteria for getting war veteran's allowance, and that would not deprive him for a second.

**Mr. Haggerty:** Not as far as injuries dealing with workmen's compensation—

**Mr. Legge:** Pardon?

**Mr. Haggerty:** Not to his injury dealing with workmen's compensation.

**Mr. Legge:** No, but if he has a 10 per cent pension, and thousands of people have a 10 per cent permanent disability pension, this is not going to preclude him from getting more veteran's allowance; he is entitled to that for another kind of service.

**Mr. Gisborn:** He is getting that and \$145?

**Mr. Legge:** Yes, exactly, sir.

**Mr. Hamilton:** It has no bearing on his compensation.

**Mr. Legge:** No bearing on his compensation whatever, as Mr. Hamilton underlines.

**Mr. Haggerty:** No, but he cannot get gainful employment, that is the whole point!

**Mr. Legge:** He has to be an older man to get the war veteran's allowance.

**Mr. Haggerty:** I will say he is a veteran as far as that goes, he is 45 or that.

**Mr. Legge:** He has to be 55 by statute to get war veteran's allowance.

**Mr. Haggerty:** He is getting special assistance from the—



**Mr. Legge:** My dear sir, I was the district solicitor of The Department of Veterans Affairs for 15 years, he has to be 55 to get war veteran's allowance, incontrovertibly.

**Mr. Haggerty:** I think in a sense that representing this person to the board, this is one of the things that was mentioned: "Well you are getting \$200 a month from the veteran's—"

**Mr. Legge:** I would be shocked if that were used in a derogatory way. Mr. Kerr's people would do their level best to get that war veteran's allowance for a man who was a low pensioner with the Workmen's Compensation Board, but only as part of the social service that they are trying to arrange for our pensioners, and our pensioners run from anything above 10 per cent as a pension for a permanent disability. Those under 10 per cent, as you know, are commuted into a lump sum. So a fellow who—

**Mr. D. F. Hamilton:** In no way would it interfere with his entitlement on our board.

**Mr. Legge:** Exactly. I am afraid there is some confusion about this. We would help him get it, but not at the expense of his entitlement under the Workmen's Compensation—

**Mr. Haggerty:** You would help him get it? But this is what I am saying, you suggest to him, "Go to the veteran's and there is an allowance there of say \$200 a month that you can get there. We cannot bring yours up to date." But yet his former employer dismissed him. He said, "Your services are no longer required. You are unable, due to your disability, to perform your work or your duties." This is what I am trying to say, that employer has an obligation to this person.

**Mr. Legge:** I agree with you, and so does Mr. Kerr and so does Mr. Hamilton, but when the obligation fails or if he is a borderline employer who has 17 people and he is not making any money and he does not have one single berth for a fellow who is not really the ultimate in productivity, you know there are such people, the majority of employers are small employers. I hold no brief—the board is completely neutral in these matters—but there are people in very precarious businesses who cannot have on unproductive guy there. Not like General Motors who could do something if they wanted to, that sort of thing.

So what are we to do? Are we to say: "The other benefits that the state will allow you are not to be picked up"? No, we will say, "We will help you get this in addition to it." And we will still go on and try to retrain this older man, and we will also try to get this older man a job. And we are not too unsuccessful.

**Mr. Haggerty:** No, there is no doubt about it, you try to rehabilitate him. I am not going to argue that point.

**Mr. Chairman:** Mr. Jackson.

**Mr. Jackson:** Yes, I think the point is being belaboured!

**Mr. Chairman:** Thank you. It is now 10.30 of the clock; we will resume on Thursday right after question period.

**Mr. Jackson:** May I speak first on that day if I am here?

**Mr. Chairman:** Yes, you can have the floor.

The committee adjourned at 10.30 o'clock, p.m.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Labour

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Thursday, June 17, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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# LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, JUNE 17, 1971

The committee met at 3:15 o'clock, p.m., in committee room No. 1; Mr. R. G. Hodgson in the chair.

## ESTIMATES, DEPARTMENT OF LABOUR (continued)

**Mr. Chairman:** Well, gentlemen and Ada, should we proceed?

**Mrs. A. Pritchard (Hamilton West):** Ladies first.

**Mr. Chairman:** Mr. Jackson.

**Mr. D. Jackson (Timiskaming):** Yes, Mr. Chairman, I would just like to go back if I may to the business of reducing the benefit payments to 50 per cent and 25 per cent; if I am correct in paraphrasing what Mr. Legge said, that it was sometimes used as an incentive. Mr. Kerr did not seem to agree with that, that it was not used to force a man to go back to work. But what bothered me—

**Mr. B. J. Legge (Workmen's Compensation Board):** I will have to answer the false premise on which you are proceeding, if I may. I did not say that it is used as an incentive, I distinctly said and say again that it is the rationale of the legislation that there is to be a rehabilitation process and that this is part of the rehabilitation process so that a man, rightly or wrongly, does not become injured to living on compensation. But it is not used—

**Mr. Jackson:** As a definite incentive? I have two cases, Mr. Chairman, both of them ran on for quite a number of years. One starts in 1967 and one starts in 1960, and throughout the period of time in both of these cases they had been reduced to 25 per cent and brought back up to 50 per cent and then to 75 per cent and they would be reduced to 50 per cent again and back up to 75 per cent.

One person has had one operation on his back; the other man has had three operations on his back. And as I say, through the period of time his compensation benefit payments have gone from 25, 50, 75 and back up and down three or four times.

**Mr. Legge:** And every time he is in for treatment it would be back to 100 per cent.

**Mr. Jackson:** Yes, I realize that, but what I cannot understand is that on the same medical evidence that exists today you will pay him 50 per cent, yet when he goes back for an examination two weeks later he will be reduced to 25 per cent. And if I write a letter or he goes back to the board it will go back up to 75 per cent.

I just do not see how they can take the same medical evidence that existed at the time he was being paid 25 per cent and pay him 50 per cent two or three weeks later.

**Mr. Legge:** I would like to attribute the success to you writing the letter, but it is not so.

**Mr. Jackson:** I realize that.

**Mr. Legge:** It is because he is paid in accordance with the extent of the disability at the time of the examination. But I think that you and I are going to be dealing with it at too rarefied an atmosphere. I wonder if the member would be satisfied if Mr. Azzarello dealt with the whole problem, because it is his area and nobody knows more about it than he does.

So what do you say to this, Mr. Azzarello?

**Mr. A. Azzarello (Workmen's Compensation Board):** I wonder if we could put some perspective on the problem as it relates to the discussion that we had the other evening and as to the question today, I think that first we really have to understand the number of cases that we are talking about and what those cases are made up of—what the framework is.

Following the discussion the other evening we did some counts and we had some checks made in order to try and to define exactly what we were talking about. Based on those checks we find that there are currently something in excess of 800 cases of workmen who are receiving temporary partial disability. These figures correspond with figures that we took in 1969 and figures that we took in 1965, and of that number of cases which are on

partial disability benefit, only about 20 per cent are less than 25.

An hon. member: Less than 50.

Mr. Azzarello: I am sorry, less than 50, and they are at 25, except for five. So that when you are talking about partial disability and a floor for that, you are talking about one fifth of the cases below 50 and the other 80 per cent above it.

I would suggest to you that dealing with the problem on the basis of a base line for partial compensation of 50 per cent, which does in fact exist for 80 per cent of the cases, would not make the problem less. It would not resolve the problems that you bring to us with these workmen who are on partial compensation and are in need of additional funds in order to manage.

So that gives some idea of the numbers. When we deal with a case we must deal with it on the basis of the evidence that is there and an adjudicator, with the advice of the medical officer, decides on the level of payment. When we talk about the system within which this fits, we have to have regard for those cases that are on total disability benefit.

The end result of the cases which you are talking about, which in many and most instances—and I would suggest to you, in the two cases you have specified, one from 1960 and one from 1967, that at some point in time or already, both of those workmen had been assessed for permanent disability in accordance with section 42 of the Act.

So talking about the idea of increasing partial compensation for short periods of time, or for whatever, is not going to alter the complaints. It is not going to alter the problems that these men bring to you, because eventually we must come down to the day where we have to have regard for the industrial component of the man's disability. He gets his pension for that and it is not ordinarily going to be 50 per cent because we never, as an operating rule—an instruction to the department—we never reduce a man's temporary benefit below the level of what eventually would be his permanent disability, never.

So you have this process of periods of total disability, when the man is totally disabled. You have this process of payment of partial compensation in accordance with a degree of disability as it exists at a given point in time. As the end result of that process you have the payment for permanent disability for those men who have the remaining continuing disability which they are going to have for their time.

The idea that reduction in payment is a motivational factor is not ours alone, it is probably a universal one. There is no question that it is a motivational factor—it is an assist toward rehabilitation, not for all men, but for some.

In addition, of these men whom I am talking about, many are in receipt of rehabilitation assistance. They do get and are getting help from the rehabilitation department. They do get funds from them and in some cases their level of payment is brought up to the level of TT. So that some few of them do get temporary total disability payments because of their current status, they get the equivalent, but it is not total disability compensation.

So, what you do is come down to those cases where there remains some industrially caused disabilities. But a man who does not have employment—and the other evening we talked about, I forget who said it, the dignity of being on compensation and there was a comment made that this was not a welfare programme. If you are going to retain that dignity, we should not be attempting to build welfare procedures into this programme; it is one way or the other, or a little bit of each.

But there are other programmes available and if they are there, then they should be used. We give every assistance we can to these men through the rehabilitation service and through other advice that is available, in order to assist them at the time when they are less than totally disabled and they do need assistance.

If we are going to have and retain the basic philosophy which has been in the Act since it started in 1915—that a man gets payment in accordance with the degree of physical disability which is industrially caused—then it requires this gradual reduction in accordance with the improvement of his condition. The other programmes come into effect when his industrial disability is no longer the real reason why he is unemployed. When it is only part of the reason, for that part of the reason he gets his compensation, and for the other social and economic reasons he gets the other programmes that are available to him.

Mr. E. W. Martel (Sudbury East): Terrible!

Mr. Chairman: Mr. Jackson.

Mr. Jackson: Mr. Chairman, I can appreciate what Mr. Azzarello has said, but in these two cases it just does not hold true.

**Mr. Legge:** It is pretty difficult to discuss cases which we do not know, sir.

**Mr. Jackson:** Well, I have been corresponding with the board; in one case the federal member has been corresponding with the board; several other persons have corresponded with the board, so the board should be familiar with them.

What I am saying to you is that I cannot understand how a man can come out of the hospital after a back operation—within three months he is down 50 per cent in compensation benefits and after a period of almost 10 years they still dropped him to 50 per cent. He has not worked in 10 years. At the end, they assess his disability as permanent disability at 60 per cent—

**Mr. Legge:** Permanent at 60.

**Mr. Jackson:** Permanent at 60. It just does not make sense that they can keep running him up and down—

**Mr. Azzarello:** I have to suggest to you, sir—I do not know the case, but I would go back to my previous statement, that if his permanent disability was at 60 per cent, then no TP payment would be less than 60 per cent. If your suggestion is that he is on 50 and 25—if that is the case, if you would send me the claim number, we can—

**Mr. Jackson:** What Mr. Azzarello is saying right now, I am sure, is that at the end it will be adjusted; if he were receiving 25 per cent at one point it would be adjusted once his total permanent pension was established, is that correct?

**Mr. Azzarello:** I am saying—I did not quite catch what you said, I am sorry.

**Mr. Jackson:** What you are saying is that once the pension is assessed and he is awarded the payment of 60 per cent, then any earlier payment would be brought up to that level?

**Mr. Azzarello:** Yes, sir.

**Mr. Jackson:** I agree, but the time when the man is receiving 25 and 50 per cent—

**Mr. Azzarello:** I am sorry?

**Mr. Jackson:** At the time when the man is receiving the 25 or 50 per cent during the period of his convalescence or his rehabilitation, at that time you are still assessing his needs or his disability according to the medical evidence that is being used at

a later date to decide on the permanent pension.

**Mr. Azzarello:** Except that—well without examination of the case I cannot really talk about that case because I do not know it. But what can happen in a case is that—a man has an injury and he does have disability and he is assessed at 100 per cent for a period of time; he has surgery and he is still assessed at 100 per cent for a period of time. And then because his condition is improved and it is the opinion of the examiners that he is capable of returning to light work, he gets a reduction to 50, 75, or whatever it happens to be. But subsequently if he is assessed for permanent disability, we would raise it to the level of the permanent disability and all payments after that date should be for that level and not a lesser level unless something has happened to change the man's condition, so that his permanent disability is longer at 60, but is perhaps nothing. And I mention the surgery because if the improvement comes with surgery then it is possible that a change would occur in the award. If you would send me the case, I would be glad to look at it for you.

**Mr. Jackson:** I will send you both of them, Mr. Azzarello.

**Mr. Azzarello:** But a case from 1960 is 11 years old and I cannot believe he has not been assessed for total disability, or that he has some permanent disability award. If you have concern about the level of benefits subsequent to that time we will examine it for you.

**Mr. Jackson:** All right. I think we misunderstand one another at this moment, though. You are saying that in the final analysis the payments are brought up and I would agree with you, they are. When he is finally given a permanent pension you ensure over the period of time he has always received up to that pension level, I agree with you. But in the meantime, over the period of 10 years he has spent months and months on 25 per cent and on 50 per cent, at a time when it visits a hardship on the man.

**An hon. member:** Put him on welfare.

**Mr. Jackson:** That is just what happens, you go on welfare.

**Mr. Martel:** Bloody welfare.



**Mr. Jackson:** I just do not think it is correct. It may well be that is the way the Act reads, and then the minister should come into it and change it. But it is not proper that a man should have to go on welfare when he was injured on the job and he is off work because of his injury.

**Mr. Azzarello:** But surely you would not expect, sir, that an adjudicator examining a case in 1967 on the basis of the evidence in there could envisage the situation two years later.

**Mr. Jackson:** I can only say this: that if he is receiving 50 per cent today, tomorrow or two or three months later they will drop him to 25 per cent on the basis of the same medical evidence as existed when he was receiving 50 per cent. I can show you in these two cases that this is true. Anyway, we will get together on these.

**Mr. Chairman:** Mr. Sopha.

**Mr. Jackson:** I have one more point to make and that is on the review committee.

**Mr. Chairman:** Yes, sir.

**Mr. Jackson:** When we take a case to the review committee or ask for a review of a claim, we are never told the background material that the board has. In many of the cases where I have asked for a review I get an answer back that indicates the board has evidence that I knew nothing about.

Surely, when we ask for a summary, we should not have to wait and go before the tribunal before we get that summary; we should be able to get the medical evidence on file at least to give some idea of what the board has before we even go to the review committee. So when we do write the review committee with a request for a review of the claim, we will have something to give you.

**Mr. Legge:** That is very reasonable. The reason you do not get the summary, Mr. Jackson, is because the summary is not made until it has been to the review committee. The review committee is the first level of appeal. Now, I could suggest two ways, perhaps, in which you could get what you want. The first is to come down and talk to the claims officer who will show you the evidence on the file since you are a member of the Legislature, and the second is to ask in writing or even just to phone, because there is this administrative assistant who deals with

your work and he will get that for you and tell you over the phone.

But if you wanted to see it, at that stage you would have to come down because the claim is still not completed. There will be an inquiry, there will be further evidence, there will be this, that and the other thing. The summary is not made until the review committee has decided, because in the routine that is the end of the investigation that the board will be doing. But you can get the information.

Last year there were some 3,900 cases to the review committee and the summaries would involve tremendous work. They were done before the review committee made its decision. The review committee solves quite a few cases itself. Quite a few people decide that it really was not within the terms of the Act and that the job becomes much more manageable after the review committee, which is the definitive level of preparation in difficult cases.

**Mr. Jackson:** Do you think that I, as a member, could go down and look into the evidence, or I can put it through under your assistance plan?

**Mr. Legge:** Yes, you can.

**Mr. Jackson:** What about the workman who is represented by his union representative?

**Mr. Legge:** The union representatives have a very favoured position with us for information, too.

**Mr. Jackson:** But again, if a person is 400 or 500 miles away?

**Mr. Legge:** Four or five hundred miles presents a real problem of coming to see it, but it does not present a problem in getting it by writing or on the telephone.

**Mr. Jackson:** If I were to write before it goes to the review committee and ask for certain information, it would be forthcoming?

**Mr. Legge:** They would not give you a copy of the medical report because that is prohibited by the Act, but Mr. Azzarello would write back, or whoever did it, and say that the essence of this evidence by a doctor of such and so standing is—and you would get the whole gist of it because of your position and your interest in that case.

**Mr. Chairman:** Mr. Legge, I wonder if you would introduce the other member of your board that has just arrived with us?

**Mr. Legge:** Thank you, Mr. Chairman. Gentlemen, may I present Mr. Decker, who is the vice-chairman of the Workmen's Compensation Board and was appointed a year ago. He is a social worker and for some 12 years was a distinguished member of the Canadian Pension Commission in Ottawa dealing with the veterans of the country.

**Mr. Chairman:** And Mr. Hamilton—

**Mr. Legge:** Mr. Hamilton was introduced the other night, but for the people who were not here may I also introduce Mr. Douglas Hamilton, who is the commissioner of the board and, as everyone knows, came to the board from a long career as secretary-treasurer of the Ontario Federation of Labour and as a commissioner of the Toronto Transit Commission.

**Mr. Chairman:** The minister wanted to ask a question?

**Hon. G. Carton (Minister of Labour):** Yes, in case we get off this point, I want to get a few answers on this from the board itself, if I may.

On this question of the permanent partial disability pension, frankly I am inclined to be quite sympathetic to it with a 50 per cent floor. I am wondering if it would help us and if they have any idea as to what this might cost.

Also I might point out that the other night, I think it was Mr. De Monte who suggested that perhaps the word "shall" could be amended to read "may." I do not know whether that would help at all frankly, Mr. De Monte. I think the other way of treating it might be better, but I do want to get some additional information while the board is here.

**Mr. D. M. De Monte (Dovercourt):** Well, may I just say that if we amend it to "may" from "shall", then the commissioners would have the discretion of perhaps leaving it at a full pension when, in their own discretion, they feel that the full pension is in order. If we put in, of course, the 50 per cent base, they would still have that discretion.

**Hon. Mr. Carton:** Well, with that discretion, can you not foresee all sorts of problems? I can see my correspondence increasing by about 100 per cent from the members themselves, saying someone did get it and why did this one not?

**Mr. Chairman:** Would Mr. Legge like to say something?

**Mr. Legge:** Since it is essentially a problem that has been in the board from time immemorial, I would like if we could have the executive manager, Mr. MacDonald, who will approach it from the point of view of the utility in solving the real problem and, secondly, as he is the financial manager, he could offer some concept as to the cost.

**Mr. A. G. MacDonald (Workmen's Compensation Board):** Mr. Chairman, I think we have the wrong impression about this problem. What Mr. Azzarello was trying to do when he was giving his statistics was to place the matter in perspective as it relates to the volume of cases. There are a very small number of cases affected by this situation—that go below 50 per cent. I think it is 180 for the current year.

**An hon. member:** We have not asked.

**Mr. Legge:** It is 160.

**Mr. De Monte:** May I interject here at one point, Mr. Chairman? One hundred and sixty whose claims are between 25 per cent and 50 per cent?

**Mr. A. G. MacDonald:** That is right.

**Mr. De Monte:** Is that 160 claims in appeal?

**Mr. A. G. MacDonald:** No, these are currently being paid at that particular level.

**Mr. De Monte:** Below 50 per cent.

**Mr. A. G. MacDonald:** So there are less than 200 being paid below 50 per cent.

**Mr. De Monte:** May I ask a further question, just to clarify? I do not want to interrupt Mr. MacDonald; I only want to clear it up. Does that mean then that there is a total of 180 people—who are being paid lower than the 50 per cent through the whole board structure on permanent partial—

**Mr. A. G. MacDonald:** No, that was going to be my next point, Mr. De Monte.

The problem that I see would be created if you were to establish a minimum of 50 per cent as a "shall" situation for the board in section 41, which is the temporary partial disability, would create an impossible situation for those people who have permanent partial disabilities. There are many more of them. If there were a 50 per cent minimum for a person on temporary partial disability, I think you would have to have the same kind of a minimum for people on permanent



partial disability if it were claimed that the reason they were not employed was their industrial accident.

I have to tell you from my experience with costs that establishing that kind of a minimum for permanent partial disabilities involves a fantastic amount of money. You could, for instance, pay everybody on a temporary partial disability 100 per cent for about \$3 million a year, but there is no way you could pay those people who happen to be on permanent disabilities for that same amount of money.

I think what we have to get in perspective is how real is this problem. What we have tried to do—and I would like to answer your question later having to do with staff changes—we have tried to place the emphasis on providing rehabilitation assistance. And the actual number of cases—and each of you, I am sure, have some—the actual number of cases where we have not been successful in solving the problem by a rehabilitation approach is very small, and I think we have the whole thing out of perspective in talking about artificial minimums.

**Mr. Martel:** I just want to comment on that point, Mr. Sopha, if I might.

**An hon. member:** He is not on the list.

**Another hon. member:** Yes, he is next.

**Mr. Martel:** There are certain areas in my own case where over half the case work I do is compensation. It is three, five, six or seven cases a week. It is pretty frustrating.

**Mr. A. G. MacDonald:** How many of them are in this temporary partial disability?

**Mr. Martel:** Oh, many of them.

**Mr. A. G. MacDonald:** Well, we take this approach: If there is an individual problem that each one of you may have, we are going to solve it, some way or other. But I am suggesting to you that you cannot solve it by amending this section. You cannot. The problem is still going to be there.

**Mr. Martel:** But this is the type of case the members get. The members do not get the easy ones—the broken legs or the broken arms, which are very easily covered. The members get the long-term cases, the eight-, 10-, 16-year cases.

**Mr. A. G. MacDonald:** Yes.

**Mr. Martel:** We do not get anything easy. They are not solved by a telephone call. This

is where the frustration for the members comes in, I think, because you almost have to have a full-time secretary handling the compensation cases and writing the various doctors and what not to get the information on this type of case.

**Mr. A. G. MacDonald:** What I am saying to you, sir, is that making a minimum of 50 per cent still would not alleviate the problem. It still would be there.

**Mr. Martel:** No, but they would eat better.

**An hon. member:** How can you—

**Mr. E. W. Sopha (Sudbury):** May I speak, because I will forever lose my place if I do not?

I want to raise three matters, Mr. Chairman, but I want to preface what I have to say in regard to them by making a public expression of my gratitude for the courtesy, assistance and co-operation that I have received from the board at all times. I thought it rather unique the other night when several members indicated that they write to various individuals in the board, and it seems we all write to someone different. I am not going to disclose who I write to, but I write to a very effective member of the organization. I will not give him away.

**Hon. Mr. Carton:** It is not me.

**Mr. Sopha:** The first thing I want to raise is that the appeal tribunal, of course, introduced a mechanism that greatly improved the operation of the board and gave us something of the environment of an independent tribunal that could be objective and weigh the arguments in favour of the workman in an atmosphere that was removed from the supervision of the board.

Having said that, I must express that I am not entirely satisfied that the onus of proof is in the most salutary position it might be. I still get the impression at the appeal tribunal stage that the onus of proof is entirely upon the workman, that he must prove his case, and as a lawyer it seems to me that too often one gets the impression that one has to prove his case beyond a reasonable doubt, that he has to come there armed with sufficient evidence and documentary material that brings the scales down very resoundingly in his favour before he may expect a favourable decision.

I have said in the past—and it is my belief—that as a matter of principle, when there is a reasonable doubt about the matter,



the doubt should always and easily be resolved in favour of the workman, because after all this is a social security agency and the principle behind it is the shifting of losses.

Sometimes, in order to buttress what I say, I find there is a tendency on the part of some members of the appeal tribunal to cross-examine the workman as if it were a court of law. In the last encounter I had with them there came about a rather unpleasant exchange between one member of the tribunal and myself in respect of the manner of questioning of the workman. There seemed to be a syndrome set up whereby the workman was somewhat suspect in his assertions and the member of the tribunal was giving the impression that he must bring out the truth, he must pin him down. Well, I see that tribunal as an informal get-together, where you sit around the table and, quite apart from all the rules of evidence, full examination and investigation of the affair takes place. If, at the end of it, there is some doubt about it, the matter ought to be resolved in favour of the workman.

The second thing I want to raise—

**Mr. Legge:** May I deal with your first points, sir?

**Mr. Sopha:** All right.

**Mr. Legge:** As to the onus of proof, your description of where the onus lies is flawless. The onus of proof lies on that tribunal. The man does not have to prove anything except to say "I am disabled." In that way he puts himself at the disposal of the board and of this tribunal that you are criticizing.

That tribunal has to satisfy itself that there is a disability, that it is related to his employment. If they are not satisfied that there is a disability, then they should order an investigation, an inquiry medically; put the man in hospital and have him examined, etc. But the onus does not rest on the injured workman, and you and I are ad idem on that.

Now as to the second point, that the benefit of the doubt should apply, I would be absolutely chagrined if I thought that that tribunal did not, in every single instance, accord the benefit of the doubt to the injured workman. I suppose we are not always of equal minds and of good dispositions.

Some days people are liverish, tired, etc., and I do not hold out to the tribunal a higher standard of conduct than I would

apply for myself. I am not always the cheerful, good-natured fellow that you see before you now!

But in the tribunals they have to act judicially. They have to give a good hearing. They have to bring their minds to bear on the benefit of the doubt and it has got to be given to the man. I would be shocked if it were otherwise and I am sorry that you have had this experience, which I accept as your experience.

As to the third thing about the cross-examination, I really cannot go all the way with you. I would say that the tribunal must be civil, it must be kind, it must be sympathetic, it must be understanding; but above all it has to be inquiring. Now I pose to you the proposition—if I am on the board, say, and I am not satisfied that the man really has a comprehension of the truth, or that he is saying it very well, then rather than have the company lawyer—who may be there when it comes to the board to cross-examine him—I always say and I may be wrong, I always say if there is any cross-examination to be done here, I will do it, except in section 16 hearings where both sides have legal representation but that is a different issue.

The reason I say that is because I find that it must be exactly the way you say it is. It has to be to an informal inquiry, a meeting of the minds to find out what is true in Smith's case. It has just got to be that way but if I am in doubt, then I must ask the odd sharp question. I think you will find, if you look at the transcripts of the board—and I see all of the ones that I sit on from the tribunal—there are very few instances of what I would call a legalistic cross-examination.

I am just sorry that you have had that experience, Mr. Sopha, because I think it must be an exception to the rule. Mr. Decker, Mr. Hamilton and I have made it absolutely a requirement of the office that they have the qualities that you are looking for.

**Mr. Sopha:** I am grateful for your reassurance and must confess that I perhaps was liverish—I like that word—on that morning!

The second matter I want to raise is that I want publicly to utterly reject the contention that there is a welfare component that is related to Workmen's Compensation. I must say that I am startled to hear such a proposition. The workman is injured most often through no fault of his

own. It would not matter if it was his own fault, that does not change anything.

This statute is designed for the purpose of shifting losses and the shifting of the losses ought to take place within its four corners. It has nothing to do with any other social agency whatsoever. Now to say that the workman must throw himself upon the resources of society through some other agency, it seems to me is a confession of failure. It is a confession that the Act is not doing what the Legislature and what the people of Ontario, the workmen, expect it to do.

In other words, there seems to be some suggestion that there are not enough funds available in the coffers of the Workmen's Compensation Board if the board is ready to say to the injured workmen, "We are very sorry, there is not enough money for you here, you go down the street to the city welfare department and see how you can make out there to get enough to support your wives and children." Well, really! Now really!

All of us have experienced the manner of handling or the disposition of welfare in this province. It seems to me that sometimes you get some of the most hard-hearted people imaginable dispensing it.

**Mr. C. G. Pilkey (Oshawa):** We all know—we get them too!

**Mr. Sopha:** Yes. I go no further than that, but for the man who is without work because his body has been injured and he is unable to work, it is to heap indignity upon him to say to him, "Go elsewhere."

**Mr. Legge:** I agree with you entirely. If that were done it would indeed be to heap indignity on him but that is not done. Now the only proposition that has been put forward here, sir, by Mr. Azzarello and by others is that the component of his disability that is attributable to his industrial accident is fully rewarded by The Workmen's Compensation Act.

**Mr. Sopha:** No. It is 75 per cent rewarded.

**Mr. Legge:** To the full extent of the legislation, sir.

**Mr. Sopha:** Yes.

**Mr. Legge:** You are quite right on the technicality.

**Mr. Sopha:** That is more than a technicality.

**Mr. Legge:** There is no way a \$12,000-a-year man can get \$12,000 a year on compensation.

**Mr. Sopha:** Mr. Legge, if he is a \$7,000 man, he only gets 75 per cent.

**Mr. Legge:** Exactly. He gets \$101 a week on the present scale of benefits. So there is that, all right.

But the point and the overriding point is that the legislation dictates—not I, not you, not the minister—the legislation dictates—

**Mr. Martel:** The minister drew up the legislation.

**Mr. Legge:** No, the Legislature passes it. That part of his disability which comes from his work injury must be fully compensated. But there are 101 situations and I will simply pose one for you.

The fellow has a superimposed neurosis which evolves from the fact that he is divorced; that he had a bad war experience; that he is in debt; all of the things that provoke—that he is an alcoholic perhaps—and this is not to be judgemental, but there are a 1,001 factors in everybody's background that contribute to the disability.

The major one maybe is a work accident and for that he will get compensation in total. But is he to be denied because he got compensation in full? Is he to be denied his war veterans' allowance or his welfare for something that did not come from his industrial accident? That is the problem, the multi-causality, the many causes of the disability.

**Mr. Sopha:** Mr. Legge, we get into a very esoteric area, very difficult area—

**Mr. Legge:** Very difficult.

**Mr. Sopha:** —when we try to separate out that which is a sequelae of his accident and that which flows from other superimposed causes. It is beyond my comprehension that there could be experts in the Workmen's Compensation Board who, sitting in Toronto, are able to apply any kind of measuring stick to it to determine which is which.

**Mr. Legge:** It is very difficult. Again, simply to cite an example in the previous light, I was fighting for the man against the Canadian Pension Commission, and I had 1,000 appeals against the Canadian Pension Commission. In a great many of those appeals where the man's case was that his disability flowed from his war service, there was also in



many cases a Workmen's Compensation compensatable accident.

That adjudication had to decide what part of his bad back came from the fact that he was blown up by a shell on the Scheldt and what part of it came when he strained his back working for Stelco in Hamilton—both very remote from Toronto! Now the problem exists, and for you to be cross with me because it exists does not help him. The problem is there.

**Mr. Sopha:** I am not cross with you. I am just emphatic.

**Mr. Legge:** Well, I understand that—you are a good counsel. But you have to concede, I suggest respectfully, sir, that there is more than one problem. There is that kind of situation of the veteran and the workman, and the veteran and the car accident victim, and so on.

**Mr. Sopha:** I am just being didactic—a pose that I adopt every once in a while. A number of years ago, I suggested a way out of this, to eradicate the so-called welfare component. I never had much success with it, but I have not departed from the effectiveness of the idea.

I think that we have arrived at a time when we might ask the workmen to contribute to the fund. It seems to me that trade unions and workmen, members of trade unions, put a great emphasis upon fringe benefits. They are often as important to them as the take-home pay, judging from the rigorous bargaining that takes place in collective agreements.

And I do not think it would be a terribly great imposition if we reordered the acquisition of the money to operate this board along the lines of the unemployment insurance principle, if we had some sort of modest contribution on a weekly basis by the workmen, because that is related to my distaste for the notion sometimes reiterated by the staff of the Workmen's Compensation Board—you know, this mythology that these funds are trust funds for the company, for management.

**Mr. Legge:** Surely that has never been said? Trust funds for the injured workmen, sir.

**Mr. Sopha:** Oh, no? You will recall an exchange of correspondence you and I had, or one of our members; one of your employees used the phrase in writing to the workman. I can probably dig up that letter.

**Mr. Legge:** I am sure you could, but the fact remains that they are not trust funds for anybody except the victim of the accident.

**Mr. Sopha:** I am glad to hear you reiterate that.

**Mr. Legge:** Well, you and I are in complete accordance on that, sir.

**Mr. Sopha:** As I say, we might well consider seriously a contribution by the workmen. Now the third one—

**Mr. Legge:** Could I just say a word on that? To the best of my certain knowledge and belief there is only one jurisdiction in the civilized world that follows that and that is the United Kingdom which has a 40-40-20—40 per cent employer, 40 per cent employee, 20 per cent government—contribution to a fund. But in order to make that a sustainable kind of operation they have had to leave in to the workman the right to sue in the court.

So you have in the most polite society a system which could be called an illegitimate system where you have kept the mixed business of suing for fault, plus the compensation and the benefits are terribly limited, because everybody resists payment. The employer resists paying what he would have to pay here because he says the workman cannot pay more than 40 per cent. The workman resists paying because he says the boss is not putting in enough, and the government resists paying because it says, "We are providing all the other social services." That kind of experience has been very unsatisfactory.

**Mr. Sopha:** Well, I believe you when you tell me that difficulty arises. It is difficult for me to comprehend how we would have to change the basic principles of the statute and remove all these things from—God forbid that they ever go back to the courts. The third one is a matter of mechanics, if I may put it that way. One of the great advantages in dealing in this area is because the problems are of human interest. We deal with human beings—

**Mr. Legge:** Absolutely.

**Mr. Sopha:**—who are suffering from human disabilities. And another interesting thing about it is that the novel is always coming along. Something new sharpens the interest. In that light, I have never been able to understand the board's attitude in writing to the workman who is dissatisfied with the doctor he has. Experience teaches me that doctors are about the same as lawyers and dentists;



some of them are good and some of them are modest in their abilities, and some of them are terribly bad.

The workman might very well get a bad one, and he wants another medical opinion. The board blandly writes to him to the effect that if he wants to see another doctor he can pay for it and submit the evidence if there is additional evidence. Well, that seems to me to be a rather cold approach to him. Just recently, to relate it to a case, a constituent—about whom I have just written to the board—came to see me, and the little finger on his right hand was in a crooked position permanently. He alleged to me that it was so by reason of less than perfect administration of the medical techniques by the doctor. And he wanted me to assist him to have the finger amputated, which is something new to me, and which I am utterly unqualified to give any advice upon. That is the first time that that has ever happened, though some years ago a young lady came to me—forgive me, Mrs. Pritchard—to ask me to help her get an abortion. I hastily add I had never seen her before. That was in the days before you just rang up on the phone for one as you do now.

But this man had a crooked finger, a labouring man, pushed muck cars or something, and said he was forever hitting it against something, giving him excruciating pain. The doctor he had did not want to amputate the finger. And the board said to him, "Get another doctor and you pay for it." Surely there cannot be that many cases in the course of a year where a fellow wants to see another doctor? And in such cases it seems to me the board might arrange a medical appointment with some other doctor.

I think it would be a good idea if the board had a workmen's compensation doctor located in each community. That the board could just write to him and say, "Would you see Mr. Smithers, related to his medical problem. Let us have a report."

**Mr. Legge:** That is a very interesting fact situation, the way you narrate it. I am on your side. As to the doctor-of-choice doctrine, the reason why it is in the legislation—I think it is terribly wise to have it in the legislation that the injured workman can have his own doctor—is because in many of the American jurisdictions they are forced to be examined by a company doctor or the board doctor, and that is the kind of opinion that prevails; not his own doctor, or he is directed to surgeon X or internist Y for treatment, which I am against.

So we have the principle that it is much better therapy if the man can have a doctor in whom he has confidence. Having made that choice, however, to avoid doctor jumping, which is most unsatisfactory therapy, all that you have to do is get the permission of one of the board's doctors and you can in fact change doctors. It is very strange to me that he was not in fact examined by one of our own doctors, because this happens all the time. But perhaps I should let Dr. Powell tell you about this doctrine.

**Dr. A. B. Powell** (Workmen's Compensation Board): Well, it is established that the workman has the initial choice of physician, including a drugless practitioner, which includes chiropractic work. This works well, except on occasion when there is a loss of rapport between the doctor and the patient for one reason or another we will allow a change of doctor. By the same token a workman does not have to go to his industrial physician or so-called company doctor. He can go there for his first-aid treatment, but he is still able to go to his own physician.

As far as having compensation doctors or people doing that type of work in the province, in fact where we do have a problem we encourage special consultations within the local environs. They do not have to come down to Toronto.

In this particular instance you mentioned, probably this was a general practitioner who did not do amputations, I do not know. But it is perfectly reasonable if the workman has a compensable injury and this finger gets in his way and it is causing him pain, and after all it is his pinky and it probably would be better off, there is no problem here at all when he is referred to a consultant, certainly a doctor who has his certification or fellowship by the Royal College of Physicians. This is to stop anybody doing surgery. There is nothing too good as far as a workman is concerned, and as far as our dealings. It may be expensive, but it is far cheaper in the long run.

For example, on back surgery, we insist that back surgery is done, not by the occasional operator just because he is qualified, but it must be done by orthopaedic specialists or neurosurgeons. Obviously when a workman is injured away from home, perhaps after driving a truck some distance away from his home, naturally he cannot attend that doctor for treatment; he is able to go back to a doctor in his own area, his own home.

By the same token in the hospitals today, workmen go into hospitals and there are new doctors every day covering off services. This is called in effect first-aid treatment regardless, and the man is referred back to his own attending physician. That is how it works, and the medical profession are quite satisfied with it.

**Mr. Sopha:** I end on this note. There is an area of danger for us here that we as legislators must not get into a position where we give any type of advice on medical matters. That would be very risky for us to do so, and in such cases, the fellow who wants help in getting his finger amputated—it would be far easier for us if we could just write the board and say you bring him to Toronto, and you give him advice.

**Mr. Legge:** But invariably that would be done, Dr. Powell.

**Dr. Powell:** That is done, it is done all the time.

**Mr. Sopha:** Then why did the letter say—

**Mr. Legge:** I think there must be an error of fact. If you will bring it to my attention we will see about it.

**Mr. Sopha:** Well, the man I write to on the board—he will have the letter in a day or so and I am sure he will show it to you.

**Mr. Legge:** Thank you.

**Mr. Sopha:** All right. That is all I wanted to say.

**Mr. Chairman:** Mr. Makarchuk.

**Mr. M. Makarchuk (Brantford):** Yes, Mr. Chairman, I have a few points to bring up.

First I think I should congratulate the minister. I think this is the first time we have ever had in the labour estimates an opportunity to get at the Workmen's Compensation Board. We have criticized the previous ministers on the operations of it.

**Mr. Chairman:** There have been two distinct years since 1967 that this examination has been held in the House with the minister present.

**Mr. Makarchuk:** Well, the thing is it is the first time since 1967 that I remember having the officials and we have had some very good and enlightening discussions on the operation of the board.

What I am concerned about is a matter I raised with the minister and I just wonder what function the board—this is in a rather grey area as to the board's responsibility, and this has developed recently where I believe an arbitration case was resolved in favour of the company, where the company has the right to force a worker, to fire a worker, if he is sick or has days off.

The result of that is—and I am talking about the Brantford situation, the Massey-Ferguson combine plant—the result of that has been, at least as far as the workers claim, that one man has been called back to work who claimed he was sick but out of fear of losing his job he returned to work. He confessed to his workmates he was sick, he did not feel well, he collapsed at his work and he died.

Since that time there have been a couple of other men I understand who have been fired for reasons that they were sick or they were not able to appear at work at times. Yesterday there was a demonstration at the plant and today I understand there will be a bigger demonstration, and I raised this matter with the minister and I understand he is investigating, so I hope he will expedite the investigation before it develops into some real serious consequences.

**Mr. Chairman:** This is not on the Workmen's Compensation, though.

**Mr. Makarchuk:** Well, I am just getting to the point. My concern is that the condition of the workers going back can possibly pose an accident hazard. In other words if this workman who passed out at the plant, if he fell into a piece of machinery it would have been considered, I assume, a compensatory accident and his wife would have been entitled to a pension from the compensation board.

As it happened otherwise I do not believe she is entitled to any kind of a widow's pension, but what I am concerned about is a situation of this nature where—it is more of a psychological pressure—there is an under-employment problem, the worker is concerned about loss of job, he arrives for work and he is not really in the best physical condition to perform his duties.

This exposes him to greater hazards, the possibility of him being involved in an accident has become greater, and consequently this reflected in the compensation and in the injuries and I just wondered if



the board is looking at these situations because I understand it is not just peculiar to Massey-Ferguson in Brantford.

I have heard of similar situations developing in other places, and I think this is an area which needs some very serious examination; and as far as the minister, of course—there is a strike situation developing there, or more of a sort of a violent confrontation developing there, and I suggest that we finalize that portion of the investigation.

**Mr. Legge:** As far as the board is concerned, Mr. Makarchuk: it is very cognizant and very concerned about the problem of the sub-par worker physically who is tired, who is hung over, who is ill, who is back to work too soon, and this sort of thing, and I think the director of safety should state our policy on this—Mr. Draper.

**Mr. J. W. P. Draper** (Workmen's Compensation Board): Mr. Chairman, the safety education in this province is carried out by nine safety associations working with the board. We are not responsible for the enforcement of the safety Acts but merely the education, in the hope of preventing accidents.

As you are possibly aware we are carrying out television and newspaper programmes at the present time on the activities of the safety associations, to bring them back to the attention of the workmen. These programmes are not meant to replace the work of the safety associations which are continuing.

We have dealt with the problem of fatigue in the hope we can make people realize there is a danger in coming to work not feeling up to par, and that they will take that into consideration—in fact recognize that this hazard exists and take steps to take it into consideration in the work they are doing. But this area is being covered in the safety education side of our activities to the limit we can with our nine safety associations.

**Mr. Makarchuk:** Well, my concern of course is I have seen the safety education posters and the shots on television, etc., and I think they are great. I would not condemn you, nor complain about them, but the point here is the safety of the worker is endangered because of the psychological—shall we say hazing or pressure, or harassment by the company on the worker.

In other words the company says now if you do not appear for work you are going to lose your job. The man is sick, his doctor is not sure whether he is in condition to return, but the man does return, and consequently he

could be involved in an accident because he is not in his best of health.

Now I agree he could be hung over, he could be tired and so on. These are other factors for which I think there are legitimate arguments for both the company's and the worker's side. But in this particular case where the worker has been sick and is under doctor's care, and then is warned that if he does not return, he will lose his job, and workers have lost—I know there were two cases just after this in which workers were dismissed from their jobs—this is my concern, this kind of harassing action by the company which is to the detriment of the workers. I think from the Workmen's Compensation point of view I would say it becomes a safety hazard in terms of the possibility of an accident developing in this case.

**Mr. Draper:** We recognize where hazards exist it is within the limits of our ability and jurisdiction to foresee hazards or attempt to anticipate them and to prepare people for them—make them aware of them so that they will exercise self-defence against it. There are, however, certain areas, I guess, where we just do not have, in the safety field, jurisdiction so that we can go to any employer or to any workman and say whether or not he should work or should not work. It is not our area.

All we can do is recognize, in certain areas, that hazards exist and do what we can to make them recognized so that people will be prepared for them. Beyond that, in the work of safety, I am afraid we cannot go any further.

**Mr. Makarchuk:** Well, I am not quite finished. Well, would Mr. Legge care to comment on that? What is your opinion? Do you feel there should be more legislation or some protection provided for the workers in these kinds of incidences because the problem is there?

**Mr. Chairman:** If I might say a word, Mr. Makarchuk, I think this is a matter of education because, first of all, it is not to the employers' advantage, certainly, to have an accident arising out of this sort of situation. It certainly is not to his advantage and he is running a risk and it is really a matter of enforcement to some degree, too.

**Mr. De Monte:** Which the board cannot enforce?

**Mr. Chairman:** Which the board cannot do.



**Mr. Makarchuk:** It is to the employers' advantage. We have to admit that certain workers will probably get sick more often than other workers. It is to the employers' advantage, particularly when he is responsible for the sick benefit costs and insurance costs, to get rid of these people. This is exactly what is happening and they do it under the guise that if the man is sick and he is not there for the job, therefore, he is fired.

We cannot raise the other issue but there is that one issue. One aspect of it that, I think, falls within the jurisdiction of the Workmen's Compensation Board is the fact that he could become an accident hazard. This is where the board, I think, should move in very seriously to this situation.

**Mr. Legge:** Mr. Hamilton is our expert in this field of labour coercion.

**Mr. De Monte:** May I ask just one more question on this very point before Mr. Hamilton answers? Would it be more advantageous to the board, then, if it had control over safety, rather than handing over control of safety to industrial accident prevention or construction safety, etc?

Perhaps this might be a policy decision that has to be made. Would it be of more advantage to the board to have its own safety administration section where they go out naturally and enforce safety laws to the extent that the board is going to have to pay for the accident after it happens, especially in relation to Mr. Makarchuk's point?

**Mr. Legge:** No, sir, because a policeman cannot teach. If we have the staff of the nine safety associations in the plant trying to teach safety—it does not matter whether it is in the woods or whatever—they are there to teach. If they are there to spy and to lay a criminal charge for not obeying some safety regulation, their credence as a teacher is completely removed and their efficacy as a teacher is removed. We are very strong in doctrine and in practice in saying that if you want us to be good teachers of safety—and we say that we are and other jurisdictions recognize it—then do not saddle us with the duty of enforcing the do not's of safety and this sort of thing. It is the duty of the Crown to enforce and the duty of the safety associations and the board to teach. We think that there is a very clear line of demarcation which, actually—

**Mr. De Monte:** But it costs you money, though! Unsafe conditions are costing you more—

**Mr. Legge:** You do not think that our man who notices an unsafe condition does not draw it to everybody's attention? Because he does but he does it on the good fellow basis, and he is not laying a charge. The Department of Labour inspector will lay a charge if it is not corrected.

**Mr. Pilkey:** But you have something to do with accident prevention?

**Mr. Legge:** We have everything to do with it.

**Mr. Pilkey:** What is the total—I am sorry—

**Mr. Chairman:** Could we have Mr. Hamilton—

**Mr. D. F. Hamilton** (Workmen's Compensation Board): I was going to answer.

**Mr. Legge:** Yes, please, Mr. Hamilton.

**Mr. Hamilton:** I do not know whether I was going to answer Mr. Makarchuk or just simply comment on it. I think you are skirting around the fringes of about three problems all in one and I think the first problem—Mr. Draper touched on it—was the question of enforcement of safety regulations and our involvement with the education.

We do the safety education through the safety associations to the best of our ability and urge upon them to conduct their business in a safe manner. Now, if they are conducting their business in a very deliberate, unsafe manner for any reason whatsoever, then I think it is a matter for the minister, for The Department of Labour enforcement to get into the plant and to enforce the measures to meet the standards.

As a result of this whole thing, if one of the persons, as you indicate, dies or gets hurt, then I think, as far as we are concerned, we deal with each case on its individual merits. It should be brought to the board on its individual merits and you look at the situation. At that juncture, we may become involved or not become involved depending on what the evidence is. But I think if you have a real hard-nosed enforcement thing you have to go to the department which enforces the standards.

**Mr. Makarchuk:** I will agree with the analysis of what you are doing, but what

I am trying to find out here is that somewhere within this government there has to be some protection for the worker who finds himself operating under these kinds of circumstances.

Right now, it seems that the workers—their feeling is in this particular case, the only protection they have is that they are going out on a wildcat strike. You know, you are interested in preserving labour peace.

They do not want to go on strike and it seems to me that somewhere there is this grey area where the board, in the interests of preventing accidents, or preventing compensable accidents, would have some jurisdiction to sit down and have a discussion with the company on these matters. The company is doing it strictly for economic reasons because they will save money of the amount they will have to pay the John Hancock Insurance if they get rid of these people who are possibly older or possibly have a longer sickness record in their annual year. It is to their advantage and it becomes a profit and loss situation.

**Mr. Chairman:** This really is industrial safety.

**Mr. Makarchuk:** I realize this but I feel that the board does have, could have, some effect in this thing.

**Mr. Chairman:** They do have in certain cases, Mr. Makarchuk. For instance, if their accident record goes sky high, their compensation rate goes up accordingly and there are some penalties and provisions to take care, which does have an influence.

**Mr. Makarchuk:** I am quite aware of the rate eventually going up and so on, but what I am concerned about is the fact that here is a case where I think there should be action taken. I think there is room for both the Workmen's Compensation Board and the minister to look at these things very closely. This is a situation which I think has developed in Ontario in recent months following that decision by the arbitration board—

**Mr. Chairman:** I think you are in a completely different area. Mr. Martel.

**Mr. Makarchuk:** I am not finished, Mr. Chairman.

**Mr. Chairman:** Okay.

**Mr. Makarchuk:** There are three or four other complaints that I have received. I must admit, as Mr. Sopha has said, I do have

very good co-operation from the board. At times I wonder why; sometimes I am confused as to the results I get, but I seem to get results.

**Mr. Legge:** That is a left-handed compliment.

**Mr. Makarchuk:** One of the major complaints I get is from people who phone the board who have a problem. Their cheque is late or they have some other problem with the board. They phone the board; they are told, "We will call you back, we will mail your cheque," and so on, and they do not hear anything from the board.

I have had this complaint and I am sure most of the members here have had the same complaints. I realize, when I go up to a hearing, you have four or five people on your switchboard, but I wish you would answer your phone or somebody down there would eventually make sure that every or as many phone calls as humanly possible are answered to the people from out in the countryside. This is one of the major complaints I have received.

**Mr. Legge:** May I deal with that, sir?

**Mr. Makarchuk:** Yes.

**Mr. Legge:** I have to cry with you on that because it breaks my heart to hear that. I keep a secretary until 6 o'clock at night; I stay till 6 o'clock at night. Our phones are answered from 8 o'clock in the morning till 6 o'clock at night.

It is doctrine and it is enforced doctrine that people will call them back. You must have had a run of bad luck because this cannot be a common complaint. If there is any organization in this world that raises the whip over not returning calls it is ours; we die over this. They have to call back. I think I had better let Mr. Azzarello deal with that.

**Mr. Azzarello:** One of the problems in dealing with telephone inquiries with our organization—and I guess with every other but particularly with ours—is the availability of information. And I think that the complaint that we get most often is not that the phone was not returned—

**Mr. Makarchuk:** No, it was always answered.

**Mr. Azzarello:** —but that information was not available. What has happened over the years is that with the increase in volume, we

have always used our claim file as a carrier vehicle for information. Therefore anybody who had to deal with a problem needed the claim file in order to do that.

Over the last couple of years we have been weaning away from that process. We have weaned away from it in the sense that in rehabilitation they are able to take action and do things without the claim file as a vehicle. At the current time, we have a programme that is being put into effect which will make information available on video screens through computer application. When someone calls, we will be able to give them specific information about their particular claim.

That programme is not fully operating yet, it is about 70 per cent, and as that programme goes on, the problem about our not being able to give information will disappear because two things will occur. Not only will we have additional information available electronically, but the claim file will stop being a carrier for many other things, so that if there is a question that cannot be answered from the information that is available on the computer, our people will be able to go directly to the claim file. It will be where it should be in our claims records area. They will be able then to give a specific answer.

I might just mention that on this telephone answering side at the present time we have 16 clerks who do nothing else but answer phones in the claims department in order to solve the problem.

**Mr. Legge:** All day long.

**Mr. Azzarello:** We have six video screens that are operational from 8 o'clock in the morning until 6 o'clock at night, so that on those claims which are now included in this new process, we are able to give better service. As our base builds up and as the volume increases, your complaint and the complaints of your people will become fewer and fewer. I do not think that they will ever disappear, but certainly it will not be a recurring thing.

**Mr. Makarchuk:** I am glad to hear that, because that was one of the complaints. It was not that you did not answer the phone. You would answer and then you would tell the man or the woman that you were going to give them the information and then nothing happened. This is where the majority of complaints have come in.

The other two points briefly is, first—I think it is the minister's turn to answer—the

widow's pension. Again, I think this has been raised before, but it is something that should be considered very seriously. Particularly—

**Mr. Chairman:** It was dealt with somewhat before, Mr. Makarchuk, in reply to Mr. De Monte.

**Mr. Makarchuk:** And the minister, I understand, is going to raise the widow's pension, is that correct?

The other point is, are single men who are taking a retraining course entitled to allowances the same as married men, when they have to live away from home?

**Mr. Legge:** From the Workmen's Compensation Board?

**Mr. Makarchuk:** Yes.

**Mr. Legge:** Yes, sir, we have a rehabilitation allowance. They get full compensation and the necessary allowances for their tuition, their books and their living. If I have oversimplified it, say so Mr. Kerr, but that is the answer.

**Mr. W. R. Kerr (Workmen's Compensation Board):** You have stated it very succinctly, sir. They are entitled to full benefits.

**Mr. Makarchuk:** They will get a living allowance if they have to live away from home?

**Mr. Legge:** Yes, sir.

**Mr. Makarchuk:** Because I have one case which was brought to my attention yesterday. He was told that because he is single he has to live here anyway so therefore he does not have to have any living allowances. His complaint is that "I live in Brantford; my furniture and so on is up there. How can I live in two places at one time?"

**Mr. Legge:** Mr. Kerr will certainly look at that case to see if there has been an error.

**Mr. W. R. Kerr:** That is right. The policy is if he has to maintain living accommodation in his community and must go to another community for his training he will get room and board allowance in addition to his rehabilitation allowance.

We will be glad to look into that.

**Mr. Makarchuk:** Fine, thank you very much.

**Mr. Chairman:** Mr. Martel.



**Mr. Martel:** Thank you, Mr. Chairman. Like those before me I want to express my thanks to the various people on the board for their assistance. Because those of us who are not trained legally and so on, do encounter difficulties when we go before the board, particularly when we have people like International Nickel Company bringing down their top lawyer. I know that Mr. Legge has bent over backwards to make it very fair and away from the realm of the courtroom and so on, and we have been most appreciative. Also again, with the International Nickel Company, whose top surgeon I have seen brought to heel—to my extreme delight—on occasion.

**Mr. Legge:** What are you trying to do to me, Mr. Martel?

**Mr. Martel:** You know you are one of the few, Mr. Legge, who have brought this—

Interjection by an hon. member.

**Mr. Martel:** No, I would not use that term—I would think it, but I would not use it—to heel occasionally.

I have a number of things I want to raise and one deals in particular with the major companies in the area that I represent. They have a practice of using intimidation or coercion to get the employees back to work. In fact, they will break their leg today and they are back on the job this afternoon or tomorrow.

Now it is light duty. For the first couple of weeks the guy does not do a thing. He sits in the dry. They bring him in by taxi; they bring him in by car. He does not even punch the clock himself, someone does it for him. I am told that for psychological reasons this can be good at times, but that is all right if it remains that way, and he ultimately gets back to work.

There are two problems though. After the man has been injured for a couple of weeks, the first thing he finds is that they are handing him a paint brush, or they are handing him a mop or a broom and he starts to do a little work. Then you know, the little work comes to a considerable amount of work and if he objects they send him home.

At that point he tries to get compensation, but he has already been in suitable employment and if he has suitable employment he is then zeroed down to 50 per cent before the ball game even get under way. At that time it is also very difficult to establish a claim, because he had no lost-time record

originally. The second part is—and the board is aware of this, I am sure—that when I bring a case before the board or the appeal tribunal, I can assure you I probably handle as many cases as any other member in this Legislature.

**Mr. B. Gilbertson (Algoma):** Tell us about some of the good ones then, instead of this unusual case.

**Mr. Martel:** I am not talking about an unusual case. If you want the floor ask the Chairman to put your name down.

**Mr. Chairman:** Please proceed on the point, Mr. Martel.

**Mr. Martel:** Pardon?

**Mr. Chairman:** Do not answer the interjections, just proceed on the point.

**Mr. Martel:** When you go before the board with this type of case they have their doctor there and they have their lawyer and they have their safety supervisor. They want it both ways. They want to be able to keep the man from showing that he is a compensation case and then, if he does not heal properly, they take him on harder than anything else as an employer, and I do not think it fair. By God, if the injury does not come around properly they will level an attack on their own employee the likes of which you have never seen.

I just do not think it can continue. If they are going to be allowed to take on injured workmen, I oppose it. But if they are going to be allowed to send the safety superintendent to call on a guy at night at his home and make all the arrangements, they should not start to give him work until his doctor says he is capable of working, not when some superintendent or some shift boss hands him a broom.

It has got to be stopped. I have been raising it for four years in the Mines, estimates and it still has not been stopped. Maybe this is the place, Mr. Minister, with the board present and yourself in attendance, that we get this practice stopped. Either the man goes to work, he goes and he punches the clock, or they do not try and make him work.

**Mr. Legge:** The requirements of The Workmen's Compensation Act are infinitely clear on this point. If there is an accident the workman must by law report the accident.

I do not how to answer your question. If it is not reported he puts himself in jeopardy for exactly the reasons that you have delineated. After the fact, by two weeks with intermittent work, officially he has reduced his own believability as a witness.

The problem shrieks as you describe it, but the law requires that he report it and if he opts not to report, he puts himself in jeopardy. It is so hard for us to find out what the truth is after that. Not that we are condoning what the company may or may not have done, but on the other hand we cannot get the evidence. But I think Mr. MacDonald should give some of the ramifications of this.

**Mr. A. G. MacDonald:** The hon. member has raised a point which has bothered me over the years quite considerably. I agree with him, there is a practice in certain companies to encourage men to come right back to work and not report accidents. On the other hand, many companies will encourage a man to report the accident as medical aid only, even though does have a compensable disability, and have him come back to work.

I do not think any real harm is done in that kind of case where the case is reported as medical aid and if the man chooses, and it is his choice, and it is supported by his union as a practice, then there is a record with us and nothing really bad can happen to him. When he becomes disabled, or is in fact losing wages because of his compensable disability, we have a record of it, but when it is not reported, it is very bad for everyone concerned.

**Mr. Martel:** What about when it is reported but there is no lost time? He starts to do some work and after a while he says, "Well, I cannot continue with this work," so he chooses to go home?

**Mr. A. G. MacDonald:** The point is the man is protected once the claim is reported. The minute he suffers any wage loss, he is going to get compensation?

**Mr. Martel:** I come back to the minister then. I am asking the minister to go after these companies who are using these types of methods of intimidation by sending the safety superintendent or someone to the man's home at night to talk him into coming back to work. It has got to stop.

**Mr. E. R. Good (Waterloo North):** Without reporting, yes.

**Mr. Martel:** Even if it is reported, I do not think pressure should be brought to bear on a man who is sick to go back to work if he has got a broken leg or a broken arm, until such time as his doctor says it is okay, because they start to pile the work on him, you know, and he goes along with this.

You know, I have an old father of 76 who went to work for six months—now this is some 10 years ago, just before he was pensioned off—with a broken leg. He went back for the first week—he is a carpenter—and the first thing you know he was putting tiles on the ceiling with a cast on his leg. I used to tell him: "What are you doing, going to work?"—but he was a good company man and he went to work and it was not enough having him sitting around, he was putting tiles up on a ladder—climbing a ladder.

**An hon. member:** Loyal.

**Mr. Martel:** And he worked for a good company you know, a pretty good company, the CNR. They are not the toughest but he was there doing it. I objected to it then and I object to it now.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Martel:** Oh, I am not through. I am just warming up.

**Mr. Chairman:** Well, let us get on with the business then.

**Mr. Martel:** Well, Mr. Chairman, do not get excited.

**Mr. Chairman:** I am not getting excited. I am just asking you to proceed, because I have about eight members who are waiting to ask questions.

**Mr. R. Haggerty (Welland South):** Mr. Chairman, may I just interject one point here, something similar to what Mr. Martel is trying to put through? Do you not think—through you, Mr. Chairman—that when an injured person reports an accident, he should receive a copy of that report himself, his own personal requirements?

In many cases, industries have their own company doctors and he goes in there and he thinks his report has been made up for workmen's compensation but it has not and seven years or 10 years later the file is destroyed but that person has come down with perhaps a permanent injury.



I just wondered: perhaps it should be by legislation or by an Act that he receives that copy.

**Mr. Legge:** On request, sir, we would be delighted to send any workman a photostat of what is sent in.

**Mr. Haggerty:** Well, but that should be given to him automatically. I mean, the minute he goes into the first-aid room, when that report is made out, he should receive a report, so he has a record. It has happened in industry all through the province that there is no proper record kept of these accidents or injuries.

**Mr. Chairman:** Mr. Azzarello.

**Hon. Mr. Carton:** It is a good point.

**Mr. Azzarello:** If I understand you correctly, you are asking for a copy of the company report that should be provided to the man.

**Mr. Haggerty:** The minute he is injured he goes into the first-aid room or he enters the hospital; he has to have a copy right there showing that he was injured or that he went in there for two or three stitches on a finger, or something like that. In many cases, this is not reported to compensation. They get medical treatment right at the first-aid, but there is no record of the accident for the employee.

**Mr. Azzarello:** Well, the first thing is that there is no requirement in the Act to report what you term as a first-aid injury. There is a requirement in the Act that with any injury requiring medical aid or, subsequently, lost time, there must be a report made to the board.

Now, in the reporting of accidents, about 35 per cent of them, the initial report does not come from either the man or the employer, it comes from the treating agent, so that that is a beginning. The treating agent reports the accident to us and then we ask for a report, but it has never been a practice, and I do not see it working, that the report that the employer provides to the board about the accident, which is their information about it and their opinions about it, should be provided to the workman. We will always give back to the workman a copy of his own report if he asks for it, always.

**Mr. Haggerty:** I have seen peculiar cases where a friend of mine, working in industry, working in a chemical plant, will get a burn and an open cutmark or an open sore will

develop and he will report that to the first aid, say in any company that he has been employed, but that is about all that has taken place. And then later on it becomes an ulcer and it can develop into a pretty serious skin disorder and it takes a long time to establish that claim. The simple reason was there was no record made the time he went into the first aid.

**Mr. Martel:** A case I just won recently got the man his compensation, where he got injured 18 years ago. The company has no record but he was on light duty for the first four years and we were able to get enough witnesses. The first effort by your people turned up that, according to company records, the man had never been injured. We provided your people with six witnesses who knew that he had been on light duty and ultimately we got a \$1,000 settlement for a cartilage operation in the knee. You know, this sort of thing does not show up—

**Mr. Legge:** If he had reported the accident, sir, it would have been available.

**Mr. Martel:** Yes, but the company did not have a record. He went on light duty—

**Mr. Legge:** He never reported himself.

**Mr. Martel:** He reported it to first aid.

**Mr. Legge:** Yes, I see the problem.

**Mr. Martel:** There was no record.

**Mr. Legge:** That was why the Act was amended, but I will let Mr. MacDonald register the technicality.

**Mr. A. G. MacDonald:** The Act requires both the employer and the workman to report the accident. It was amended specifically to avoid this kind of problem. This was an old case?

**Mr. Martel:** Nineteen fifty-two.

**Mr. A. G. MacDonald:** Well, back in those days, the employee was not required to report it, but he is now.

**Mr. Martel:** But it is a problem that continues, and again I am dealing with a specific company. It is not there. This company is a pretty hard-hearted bunch and if they can get anybody back to work, they do not care what method they use and when they go before the board, if the man's back injury does not come around, they will fight him the hardest, with a doctor, a lawyer, a safety supervisor—the whole busi-



ness is there, and it is just about the toughest company to deal with.

**Mr. Chairman:** Mr. Hamilton, I think, has a comment on this.

**Mr. Haggerty:** He did not lose any time.

**Mr. Martel:** No, it was 10 weeks.

**Mr. Chairman:** Mr. Hamilton.

**Mr. Hamilton:** Mr. Martel, I think I would just simply comment on this to you, that my advice has been, all through the years, and still is, that anything that happens to a man in the work place, report it. In every instance, report it. Then he is protected from what flows from that, and I think it is absolutely essential that he reports it, even if he scratches his finger.

**Mr. Martel:** Well, and I tell them not to go to work. Under no circumstances. If he has just broken a leg and if I can get to him soon enough, I tell him not to show up, under any intimidation or pressure from the company. Just do not show up.

But I want to get into the area of my biggest concern. As I said earlier, I have probably three to five to seven cases a week. The majority of them are long-term and the majority of them are low back injuries coming out of the construction in mining, coming out of the mining itself. There are a number of problems, and I have spent hours talking to Bill Jeune and George DelMedico, over the problems with respect to the low back injury. I am just wondering if the board is doing enough research with respect to this type of injury. I understand that if a man is off a year with a bad back, it is very difficult to get him back to work. If he is off three years, there is just virtually no way that he ever gets back into the labour stream. Whether he is a young man or an elderly man, he just does not get back to work.

It would seem to me, and certainly, I am no medical man—I pretend to be—but when you see these cases that I have seen for the last three or four years—they sit down and in the first two minutes, it appears that there is some sort of overlay, just by the way they start. You know, the whole world is against them. They are really in bad shape. Now, what can we do, let us say, right after a man is operated on, to occupy his mind, to focus his attention on something else rather than his back? In other words, a type of programme should be developed as he recovers; he is not very mobile at the be-

ginning, but as he begins to get considerably better, what can we do during that time to occupy his mind to keep him away from focusing on the fact that he is a cripple? And this is what gets in his mind, that he is going to be crippled.

**An hon. member:** Psychosomatic.

**Mr. Martel:** And that area has got to be worked out. Something has got to be done in that area.

**Mr. Legge:** A great deal is being done about the neurotic overlay of back people, Mr. Martel. And it is a tremendous problem as you say because 18 per cent to 20 per cent of the compensation cases where compensation is paid are back disabilities. At the hospital and rehabilitation centre there is a very large clinic that is devoted exclusively to back injuries. The research problem is ever with us and we, from time to time and as we can get people who are competent to do it, are commissioning research project after research project. But this is simply to say what the board's attitude is. To say what the board is doing, I will have to ask Dr. Powell.

**Dr. Powell:** Mr. Chairman, the enigma of low back pain and disability is going to be with us for a long time. When you have got two forces, one of them in a back to promote mobility as well as stability you are going to have trouble. It might be interesting to know that 90 per cent of patients with low back disability—practically all of them return to work in six to eight weeks. Of the difficult back cases that we have, the post-operative ones are those which offer a great problem. Probably one in 20 is the one that taxes all the medical people on just what to do. The emotional component of low back disability is a real one and the emotional health of workmen is an important thing, because when a man has to work by the sweat of his brow and the movement of his back, he really gets fear and is under tension. The fact that he is going to be deprived of his livelihood is a real thing. I think there are so many factors involving the man—his family, his employer, his foreman—that go in as part of the picture of low back disability and the continuing of this.

Now as to your question about a man who has been operated on the back, for one thing, we discourage the medical profession from operating as much as we can, getting to them at seminars and lectures and having talks about this because it is a well

known fact that very few workmen—one in four—are able to go back to their original jobs. Any low back pain or disability will respond to the load that is put upon it. In most instances, a man with a growler back year after year has to change his occupation, lose weight, for example, and find a different type of work, which we have supported along rehabilitation lines. They have to realize that they have reached a plateau, and they cannot do anything else. Medical surgery or swami treatment is not going to do any good to these individuals. These are the small group. But as far as the problem—

**Mr. Haggerty:** What is swami treatment?

**Mr. Martel:** Quack!

**Dr. Powell:** Any form of treatment at all—crystal ball gazing, and so on. But this is the problem, and I say as far as research is concerned we have research going on all the time on the back. There is a new one coming out now. One of the professors has worked with a new material that can be used. Now it is not a panacea. This is something that may have—

**Mr. De Monte:** Is it material for outside the back?

**Dr. Powell:** It is material that is injected into the disc space. But it is highly controversial. It has some merit, but it is too early to say—the results will be published very soon, but again it is not the answer to low back disability regardless.

**Mr. De Monte:** How about osteopathic and chiropractic treatments?

**Dr. Powell:** Manipulation of the spine has its place but it must be kept in its place. We recognize chiropractic manipulations for a certain particular specified period of time, which is treatment control as we observed on all doctors treating workmen. This is recognized now. As I say, 90 per cent of low back disabilities get better regardless of the treatment. It is a pretty fair yield.

**Mr. Martel:** While he is at home then after the operation, what is being done to occupy his mind? Is there anything being developed where we can get him to focus on something other than his own problems. He lies there or slowly starts to get around for months. That seems to be the real area where this starts to develop.

**Dr. Powell:** I would agree with that. When a man has been operated on the back it is

unlikely—it will take a year before he is able to go back to his former employment—and this is important as far as the exercises he is given, and to occupy his mind is an important thing. How it is done is again rather nebulous. But as far as we are concerned, when a man has a back disability he is brought into the hospital rehabilitation centre, if he has a particular problem. But as you say, a lot of them are operated upon that do not really need to go to the centre.

We encourage physiotherapy, the modalities of physiotherapy, if and when he needs it, and to lift properly and avoid certain stresses and strains that reproduce or produce that low back disability.

**Mr. Martel:** The point I am making then is could there not be some sort of programme. I do not care whether it is sorting gloves, while he is sitting at home—something that, first of all, he thinks is useful during that period.

**Mr. Gilbertson:** Then he could be working.

**Dr. Powell:** Perhaps, Mr. Martel, the point you are talking about here, Mr. Kerr is quite familiar with to a great extent.

**Mr. W. R. Kerr:** Yes, if I may make a comment on that, Dr. Powell has pinpointed the problem areas. There are many back cases which do not present a vocational problem. We are now talking about a relatively small number, but a very important number. It is important to the man, where we have a problem vocationally. I think the direct answer to your question of what we can do is for us in the vocational or rehabilitation department, with the co-operation of unions and employers to try to get that man back to some suitable kind of employment.

I qualify this by saying not carry him on a stretcher or in a wheelchair, but to put him in to a job, which you just mentioned, something productive, not just sitting around a dry room, but something that he can do safely which must be authorized by the doctor who is treating him, so that by performing his particular job he is not going to cause further aggravation to his back; that it is not going to create an additional hazard to him and that in his condition will not create an additional hazard to other people.

We try to get into these problem areas quite early. Prior to 1967, we could not touch a case like that until it was clearly established he was going to have some permanent disability. But, in 1967, the board broadened



rehabilitation services to include people who do not necessarily have a permanent disability but temporary partial disability. So now we get into those cases and we try to arrange for him to do suitable employment. Another aspect that might come to mind is workshops in areas throughout Ontario. There are some places in Ontario where we can put a man into an industrial workshop where he can perform suitable work. We have several in this area we use and in other parts of the province. In this manner, we try to prevent him from losing the work habit—you mentioned or alluded to this, Mr. Martel—which is very real. The man gets out of the habit of working. He is overcome with his problem and his mind is too much on his problems, so we can use workshops to try to prevent him from getting into this state of mind.

At the centre, Dr. Powell mentioned treatment. In addition to treatment we have other activities. I think one of our basic mottoes is activity not rest is the keynote, unless rest is a part of the treatment, of course. Activity not rest is the keynote. So we are trying to prevent this man from becoming morose and having problems psychologically. We have discovered that in our research into the vocational aspect of these problem areas in low back that we have been more successful in the past year or so with retraining than we have been in putting him into selective job placement on a permanent basis. Of the 736 men we have put into retraining last year at a cost of about \$1,300,000, 55 per cent of those men—over half of them—were men with back conditions. So we have been emphasizing retraining for the backs.

Mr. Martel: Okay. That leads me to—you said suitable employment—and this is a government problem then. The problem in the Sudbury area and predominantly in northern Ontario is you have got nothing to retrain them for. You get turned back and I have seen it so many times that I just go up the wall. The man is okay for suitable employment, but what is suitable employment for a hardrock miner, or a construction worker with grade 6 or grade 7 education? The doctor sends him to you people and immediately you people get the suitable employment bit he is down to 50 per cent. What is the suitable employment for—

Mr. Chairman: Mr. Martel, we have discussed this thoroughly in the other estimates.

Mr. Martel: I appreciate that.

Mr. Chairman: We have discussed it before here when you have not been here, of course, and so I will allow you to proceed a bit with it.

Mr. Martel: There are reasons why I was not here.

Mr. Chairman: I am just pointing out that you are getting very repetitious on the subject matter we have been dealing with.

Mr. Martel: I just happen to believe, Mr. Chairman, that it happens that in many cases I do appreciate—

Mr. Chairman: Yes, but I cannot have 117 members come in here on different days and make the same point.

Mr. Martel: If they wanted to, that would be fine. There are not 117 members here.

Mr. Chairman: I am just simply saying to you try to keep to the areas of new material so that we have a thorough discussion.

Mr. Martel: There 17 members in northern Ontario. How many have raised the point of—

Mr. Chairman: I am not talking about that.

Mr. Martel: —suitable employment in northern Ontario for construction workers and for miners?

Mr. Chairman: Other members of your party have discussed this very thoroughly. Members of the Liberal Party have discussed it very thoroughly, the board has replied, the department has replied; so I am just pointing out to you that you are getting into an area of repetition.

Mr. Martel: Well, I will try not to be repetitive.

Mr. Chairman: Fine, I am going to allow you some latitude in it, but I want to point out to you that I cannot allow you to go on forever doing what has already been done.

Mr. Martel: Well, I appreciate that. Do we have a reply to these particular aspects of what I was saying about suitable employment?

Mr. W. R. Kerr: When we look at suitable employment or modified employment—whatever term you wish to use on this—there are several things that we take into consideration from the vocational point of view. Of course, we have to have regard for what he has done



in the past; his past work history, sometimes even his hobbies provide us with a clue or an area that we can explore to provide remunerative income for him. Also, when he is at the centre, in our back rehabilitation clinic, fortunately we have complete services there and we can have him interviewed by our psychologists. We call it our counselling service, and this group can explore his various potentials.

You mentioned education; that is a factor that is important. A man may have a relatively low level of education, but he may have the intelligence and the capacity to absorb more. If this comes through, this is excellent, because that means we can teach him. If he has the ability to learn, regardless of his education, this is a plus. We have looked for all the pluses. We then take a look at what is possible in the area.

We are aware of what might be available in the area in which he lives, and then we proceed from there to upgrade his education if necessary, and then to put him into a course of training. One of the things that we have done—and we find this is pretty successful in rehabilitating men—is we arrange for training on the job with an employer. This has an advantage over training in an institution from several points of view. Men today are not particularly prone to wanting to go into an institution or a trades institute to learn. They would rather learn on the job in an environment with which they are familiar and they feel more at home; and this is good. Another plus is that if we get a man in with an employer on training on the job—and it may be the original employer or an entirely new employer—if he is in there and the employer observes him and he is a good man, the chances are that employer will retain him in his employment. This is the second big plus. We do everything we can to exploit and capitalize on the man's abilities, not his disabilities.

**Mr. Martel:** I want to ask one question which has not been asked before, on the nature—

**Mr. W. R. Kerr:** May I just add one thing about the results from last year? Of the men for whom services were completed, 89 per cent were rehabilitated.

**Mr. Martel:** If a functional overlay develops, why is there so much difficulty in having it treated via the use of a psychiatrist, the hangup always being that it is not directly related to the injury? If it develops as a side

effect of a functional overlay, why should there be any question then as to having a man treated by the use of a psychiatrist to assist the man?

**Mr. Legge:** There is not any difficulty, Mr. Martel, except from the evidentiary problem that is inherent in this sort of thing. The board has a very clear policy and an infinitely clear practice, that if the superimposed neurosis is related to his industrial injury or disease, then that is compensable. When it becomes compensable, of course, it is treatable, and there just is not any problem about the treatment or the payment for this. The problem, however—and I think you have looked forward to this in your question—is the identifying of what is an accident neurosis, a superimposed neurosis of any kind connected with that accident. It is very difficult to get doctors to come out and say that this is directly connected with the accident, but there are a lot of doctors who do and there are a great many cases that are favourably decided and treated. There is not any hangup whatever. It is simply to do with the difficulty of that kind of vague problem.

**Mr. Chairman:** Mr. Martel, I might tell you that question was asked on Tuesday and answered on Tuesday.

**Mr. Martel:** Well, this one will not have been asked on Tuesday then, Mr. Chairman. What happens when a family is destroyed as a result of an industrial accident. I have a case where the boy, a 12-year-old, is now under psychiatric treatment, which his doctor relates to the injuries suffered by the father in the prolonged treatment of a back injury. Dr. Prince in Sudbury maintains that the boy has now become a problem because of the way he has seen his father go downhill in the past two or three years. He is receiving treatment at the Sudbury psychiatric unit. I got the reply back from the board today saying, "We have no responsibility for the family, just the injured workman."

**Mr. Legge:** This is clear in all of this type of social legislation, whether it is the pension Act or whether it is the compensation Act—the benefits flow to the veteran or to the workman. There are always, of course, payments to the widow and this sort of thing, but neither legislation encompasses direct damage to a third party like a wife or like a child. It is just not in the legislation. Now, Dr. Prince is a very forward-looking psychiatrist, but there is not any way under our

legislation—and it is simply not in the legislation—that the boy could be treated or paid for at the expense of the Workmen's Compensation Board. It is not in the legislation.

**Mr. Martel:** Two final points, and very briefly. When the summary of information is submitted to us, could we have the doctors' names included in the summary—you know how they list orthopaedic surgeons' reports and consultants' reports—to give us some idea of who we should write to?

**Mr. Legge:** You can easily get that information by phoning the board. The legal advice available to the board is that it cannot be included in the summary of information, but because of your responsible position, the man's name certainly would be given to you.

**Mr. Martel:** The final point then—and it is certainly no smear on Mr. Dickson's work; in fact he is a first-rate fellow—

**Mr. Legge:** Mister—?

**Mr. Martel:** Spence Dickson.

**Mr. Legge:** Oh, yes.

**Mr. Martel:** He is just a superb guy. I do not think you have a man who works any harder. In fact, last year—

**Mr. Legge:** We have a lot who work as hard.

**Mr. Martel:** Well, he worked with a broken leg last year in the rehabilitation end.

**Mr. Legge:** I know.

**Mr. Martel:** With respect to northern Ontario, I wonder if the department, like most departments, has any concept of the size of northern Ontario.

**Mr. Legge:** Well, Mr. Hamilton does because he was born there, and Mr. Decker and I have because we travel there. I think it is well known.

**Mr. Martel:** Well, you know, this man is a first-rate fellow. I imagine he must have 150 or 200 cases; he took a drive up to the Soo and places like that. You have just got to get more men like him up there, because he has got too much for the size of the area. He has not complained to me, but I know how busy he is and how he is on the run. In fact, the number of cases from my files that are recommended to him—I bet in the last 10 days

I have got at least eight or 10 cases that have been recommended to the man to look into. There is just no way that he can continue that sort of pace—and he is a first-rate fellow.

**Mr. Legge:** I will certainly see that your kind remarks are conveyed to him. We are looking at the problem, and I think Mr. Kerr should talk about the solution.

**Mr. W. R. Kerr:** Mr. Chairman, we are right up to date on this. You will be happy to know that next month—July—a man by the name of Ted Walker is being assigned and will be working also out of the Sudbury area, so that we will have two men working in that area rather than one man.

You are quite right, the number of men requiring assistance has increased rather rapidly in the last little while in that area, and we have already assigned a man. But since he has to move there with his family—this decision was made a little while ago—we had to give him a little time; so he is moving up at the end of this month with the end of the school year. His family will be moving there; so your problem, I hope, will be solved with that action.

**Mr. Martel:** Well, I was thinking poor Spence was being worked to death.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Yes, Mr. Chairman, maybe along the lines of the member from Sudbury, I would like to know where do you draw the line when a person is off on compensation.

In many cases I have claimants who come to me for help and assistance, and I find that they are receiving perhaps an 18 per cent disability or something like this. That is all they get. But under their family doctor, if they are taking, say, physiotherapy treatment perhaps two or three times a week, during the day; in a sense he is still receiving treatment for his injuries, but he receives nothing in compensation benefits. They get this permanent partial disability pension of 18 per cent, I guess it is. I found that many persons also working in industry who are injured in a plant—they get a back injury, say, or a pulled muscle or something like this—go back to work and, through their medical doctor, they are taking physiotherapy treatment. This usually takes place on a Saturday. In many cases, when they go to these clinics, they are there on Saturday morning and they cannot move for Saturday



or Sunday, but they have to get up and go to work on the following Monday. This goes on for six or eight weeks, and I was just wondering if a workman should be subject to such procedure. Should he not get this treatment during working hours?

**Mr. Legge:** Well, physiotherapy is a very difficult thing, because you have to take it when the therapist is available, and I take it and everybody takes it at some time or other; but I think that the official answer is clear. Would you like to give it, Mr. Azzarello?

**Mr. Azzarello:** Well, for any man who is undergoing active treatment, we would have an assessment of his case and determine the level of disability and pay him. If a man is getting active physiotherapy treatment—and your reference to 18 per cent would lead me to believe that he is on a pension—then that is an active case. It should be reviewed. It should be looked at by an adjudicator and a medical officer and a determination made as to what the man's entitlement is, and if he is getting active treatment for his condition then he would get payment in excess of the 18 per cent, yes.

**Mr. Haggerty:** But I find in many cases they are not aware of this.

**Mr. Azzarello:** They are not aware of it?

**Mr. Haggerty:** No, many of the claimants are not aware that it is available to them. All they have to do is apply to the board and the case will be reviewed.

**Mr. Azzarello:** Well, what usually happens in that kind of instance is that when those kinds of bills come in to a claim, an adjudicator will pick up the fact that the man is on active treatment and he will catch it. But we are not able to deal with those that are not reported to us, and we have only the one way, or two ways, of getting them; either through the attending doctor—through his account—or from the man himself. And we will deal with every one that we get. Men are told at the time that their pension is awarded that if they have further trouble then they should contact us and let us know and then we will deal with this problem at that time. Every man who gets a pension is told that.

**Mr. Haggerty:** In many cases, some of these that are still working today go back into their plant the following week after taking treatments like this, but they are on pre-

scribed drugs, you know, pain killers. They can only take so much of this and then they go back in the following Saturday for—

**Mr. Chairman:** Mr. Haggerty, I think you have been answered, please.

**Mr. Haggerty:** All right, I made my point. The other point is, Mr. Chairman, I know in the past—I believe it was back in the Thirties—they were supposed to open a compensation centre in the Niagara region. Now, there is a new medical rehabilitation centre there, just south of the sanatorium at St. Catharines, and it is doing an exceptionally fine job treating persons with arthritis and many other crippling diseases. I was just wondering, could you not perhaps use this for rehabilitation, for therapy, instead of sending a person over here to Toronto and being away from his family for two or three weeks at a time, when the facilities are there, a lot closer to home?

**Mr. Legge:** Yes, we can and we do pay for rehabilitation services in suitable institutions throughout the province. There are certain kinds of disabilities, such as amputations for example, that must come to our special clinic in Downsview because it is pre-eminent; but yes, it certainly can be used and I will ask Dr. Powell to say what the problem is if it is not being used.

**Dr. Powell:** We are not in competition with any area or group which wants to establish its own rehabilitation centres. They are springing up; and through a lot of effort of several doctors in the St. Catharines area this actually came to fruition and you now have a physiatrist who is there, Dr. Fulton, who is doing an excellent job in getting this thing organized and getting it off the ground. We refer cases to him, or encourage the local doctors to refer cases, for consultation in the field of physiatric medicine.

**Mr. Haggerty:** I am delighted to hear that, sir. The other problem, Mr. Chairman, deals with occupational disease.

On May 14 I asked a question of the Minister of Mines and Northern Affairs (Mr. Bernier) and the question was:

Has the minister taken the necessary steps to implement the reciprocal agreement with other provinces covering silicosis exposure so that persons involved can obtain compensation regardless of where they were formerly employed?

I received a letter today from the minister and his answer is:



The matter of reciprocal agreement between the provinces covering silicosis exposure and compensation has come up a number of times over the years. It is difficult to obtain a meeting of minds on this subject when every province does not have the same set of conditions. It is understood that the Province of British Columbia has approached, separately, the Province of Ontario and the Province of Quebec within the last year concerning the idea.

I feel that this matter falls within the field of the Workmen's Compensation Board and the industrial associations, including the Ontario Mining Association. I believe that the subject may be broached at the next meeting of the provincial compensation boards.

I just want to know if the board chairman would like to comment on that.

**Mr. Legge:** Well, I am pretty familiar with it, but I think that Mr. MacDonald has the whole historical approach to it.

**Mr. A. G. MacDonald:** Mr. Haggerty, as you likely know, our Act was amended a short while ago to permit the making of such agreements, and since that time we have been in active negotiation with all of the other provinces who are interested in having an agreement with us. There are a number of difficulties. The provinces do not have the same standards as it relates to pre-employment examination. They do not have the standards as it relates to the control of dust and the other factors that are involved in ventilation of mines, and these are causing a certain amount of delay.

However, I am quite confident that such agreements will eventually be signed when the difficulties have been ironed out. Mr. Legge is currently chairman of the Association of Workmen's Compensation Boards of Canada and, has been indicated, it will be discussed at our convention in September.

**Mr. Haggerty:** The reason I want to follow this up, Mr. Chairman, is that I have a letter here from Dr. R. B. Sutherland, chief of health services in environmental health, and I will read just one of his comments; I think this is of interest to the committee here:

From the foregoing, the claimant's last silica exposure was in Quebec and the Quebec Workmen's Compensation Board would ordinarily have been responsible for adjudicating the claim except for the fact that under their Act their claim for silicosis

must be instituted within five years of the last silica exposure.

This same restriction exists in other provincial compensation Acts, for example in British Columbia, and it is not only outmoded but unfair to the workmen since silicosis can at times develop many years after the last exposure.

The restriction does not apply to the claims made to the Ontario Workmen's Compensation Board when it can be shown that the man's last silica exposure was in this province.

**Mr. A. G. MacDonald:** I think this is really part of your original question.

**Mr. Haggerty:** Yes, but the point I bring to you, Mr. Chairman, is that he says that silicosis can at times develop many years after the last exposure, and of course this is the same problem that deals with persons working with asbestos in that an asbestos miner will come down with asbestosis. The other comment I would like to make, and this is the report on the effects of human health, the United States Department of Health on education and welfare, and this is a concern to me. It is a report by J. Cuthbert, "Community Hazards of Asbestos,"—this text is in German and I am not reading it from German—but a number of examples are given, including those of carpenters and construction workers "who do not realize that relatively—"

**Mr. Chairman:** I do not understand that language.

**Mr. Haggerty:** "—brief contact in selling or handling asbestos materials can lead to lung cancer many years after." And the point I want to bring to the Workmen's Compensation Board, through you, Mr. Chairman, is that in many cases where persons are building homes and they come in contact with insulation made from asbestos, should there not be some type of a warning signal printed on there that this could be a health hazard and to warn them that they should wear the proper face mask?

**Mr. Chairman:** I do not know who to ask on that because you are talking about standards.

**Mr. Haggerty:** Accident prevention. I believe somebody in this branch should have some views.

**Mr. S. Lewis (Scarborough West):** Get the minister to answer it.

**Mr. Draper:** I would think, sir, that would come under The Department of Environmental Health, as you are dealing with health. The Workmen's Compensation Board *per se* does not have the powers of enforcement. We do provide, through the associations, for the employees warning labels and signs that go up in hazardous areas, but I think in this case you are talking about a product whose end use may have some dangers to the consumer if it is a do-it-yourself kit for insulating a home.

We do not go into that area; our responsibility area only projects itself into the work force of Ontario while they are in the course of their employment. Perhaps Dr. Powell might be able to offer something on that.

**Dr. Powell:** The common term to cover all these is pneumoconiosis. There is little asbestos mining in Ontario and that is not where you develop asbestosis, it is in the manufacture of brake linings and things of that type, and we have and do recognize it. There is probably a closer association with smoking and asbestosis with lung cancer and probably the relationship of silicosis to lung cancer is very uncertain. You might be interested to know there are about 400 claimants that have silicosis in the province and 80 per cent of them are over 60 years of age and 20 of those are 80 years of age, so it takes a long period of time and these people are compensable.

There are many things which will produce this fibrous thickening and scarring of the lung, including asbestosis, anthracosis and an innumerable number of things that you mention. It usually requires a long-time exposure before silicosis becomes manifest. Most of these people died of tuberculosis. Now that tuberculosis can be controlled by the anti-tuberculin drugs, these silicotics are living much longer than they used to; tuberculosis was really the killer years ago.

The prevention of this is well recognized. Hydro and several other people now using asbestos to coat the insides of drums and areas are quite cognizant of the danger of asbestosis and are looking into this, certainly as far as wearing masks is concerned. I doubt very much if a brief exposure during building a house to asbestosis is going to—

**Mr. Haggerty:** I am talking about carpenters who work with it every day.

**Dr. Powell:** As far as claims for asbestosis are concerned I think we have had two in

the last 50 years. You mentioned Dr. Sutherland. We have an advisory committee of occupational diseases of the chest of which Dr. Sutherland is a member—and many others including Dr. Shaver, too, from St. Catharines. We are quite aware of this, and they do advise the board. But as far as paying the pension and what a man is entitled to is concerned, it is the board's responsibility. They are advisers to the board on the extent and the disability produced by the pulmonary scarring.

**Mr. Martel:** Could I ask a question on this point? Why is it then that the board, when it is making a pension for some of these people when it takes a long time for it to come to a head, goes back to the last date on which they were employed in or exposed to an area where they could contract the problem?

**Mr. Azzarello:** You would have to deal with the individual case and deal with the medical reports about the onset of disablement if there was such; the time it takes to diagnose the condition and then the relationship of that condition to the exposure and employment. If it takes a long time there are many factors that could relate to that diagnosis.

**Mr. Martel:** What happens in the case—I have one who was removed from underground brought to surface. He continued on surface for 13 years. At the end of 13 years he got tuberculosis and silicosis and it was diagnosed as silicotuberculosis. He has got a permanent 50 per cent disability rating. It goes back to 1955 or 1956, that the rate of payment is established at.

**Mr. A. G. MacDonald:** That was the first date of wage loss. That is really the reason for it.

**Mr. Martel:** The point is that he has worked at a good salary and continued to produce for the company for 10 or 12 or 13 years. He becomes totally disabled, cannot go back to work. His pension goes back 13 or 14 years—50 per cent—which comes to about \$100 a month.

**Mr. A. G. MacDonald:** At the time he was injured.

**Mr. W. Ferrier (Cochrane South):** That is not fair.

**Mr. Martel:** It is just lousy. Why should it not be at the time—

**Mr. Chairman:** Mr. De Monte.

**Mr. De Monte:** I just want to follow up the remarks of the doctor as discussed here before—

**Mr. Martel:** Could we have that answered?

**Mr. Legge:** Yes, I am just getting the answer.

**Mr. A. G. MacDonald:** Basically, what has to be involved is disability and wage loss. What happens normally when a man leaves underground employment and comes to the surface is that he does suffer a wage loss. That is the date at which the pension is payable.

**Mr. Martel:** And he can work for 13 more years and he does not even get a surface rate, or he does not even get the rate which has been established that year to establish a pension on. He goes back 13 or 14 years—you know this is what four cases are. The same would probably prevail there too. It takes so long for it to become recognized that he has got these diseases. You go back almost in history to establish his rate. He has nothing left.

**Mr. Ferrier:** Why should the pension be deferred until he leaves the mining industry? If he leaves the mining industry when he gets the disability, the pension is payable at that point. But if he continues to work in a non-dust exposure job in that same mining industry, he does not get his pension. Still, it is based on what his wages were when he contracted the disability a number of years ago and it works in two ways against the silicotic miner.

**Mr. A. G. MacDonald:** Basically, I think I have given the only answer that I can. The Act requires a combination of disability and wage loss, and it cannot be shown that a man who continues at the same wage has, in fact, suffered a disability in the industrial section because of the way it is worded.

**Mr. Ferrier:** But if he was to go and work in a carpenter's job outside of the mine, and he was assessed as a silicotic, he would get his pension right then.

**Mr. Martel:** Why do you give him the 50 per cent, that it is established at—

**Mr. Chairman:** I think the question has been answered in the only way it can be possibly answered, Mr. De Monte.

**Mr. Martel:** If I could just ask one final question.

**Mr. Chairman:** I cannot keep on allowing interjections because I gave you full time, to the pain of the other members.

**Mr. Ferrier:** These are important questions.

**Mr. De Monte:** That suits me, Mr. Chairman. If they would like this answered, sure.

**Mr. Chairman:** Fine, thank you.

**Mr. A. G. MacDonald:** Mr. Chairman, just reading this, the industrial disease section is quite explicit.

**An hon. member:** Section 116.

**Mr. MacDonald:** Section 116 where a workman suffers from an industrial disease and is thereby disabled from earning full wages.

It couples the disability with earning full wages in the industrial disease section. When he does not suffer a wage loss we cannot pension him.

**Mr. Ferrier:** Do you recommend an amendment to the statute then on this particular point?

**Mr. A. G. MacDonald:** That is not the role of the board.

**Mr. Ferrier:** To enable that to be—

**Mr. Martel:** Then let us hear from the minister.

**Mr. J. E. Bullbrook (Sarnia):** What was that answer please?

**Mr. Martel:** That it was not the board's role.

**Mr. Bullbrook:** I want to intervene just for a moment. Mr. Legge, you take the position, I am sure, that we as legislators must look to the board for some assistance to assist the board itself.

You recall the dialogue we had on one occasion when you did refer to me the fact that I was a legislator and it is up to the legislators to make changes in the law. Surely part of this exercise that we go through now is to assist us in evaluating the law and changing it if necessary to assist the board, to assist the public. Is that unfair?

**Mr. Legge:** Oh, no, I think that is a classic description of the role of the legislator.

**Mr. Bullbrook:** Of our roles, right. Then would you not agree really that perhaps we



could—I want to direct this to the minister—is this not part of our responsibility here, certainly yours?

You recall the other evening we did get established, through the generous comments of one of the members of the commission, that there will now be, they would hope for, a 50 per cent foundation in connection with reductions of disability pensions on a temporary basis. So I would hope this is part of our role, Mr. Chairman.

**Mr. Martel:** The bill is on the record, because I got it drawn up and drafted last year by the legislative counsel as a private member's bill.

You do not even have to go to that trouble. Just grab the bill and introduce it tomorrow. Forty-eight hours notice. Why do you not give us some indication as to what your opinion is on an issue such as this?

**Hon. Mr. Carton:** First of all, I have had an examination made of all the debates thus far that have taken place in the committee, including workmen's compensation, as we go day by day. If you will recall, I was the one that brought up this point about the 50 per cent floor earlier today because I was studying it.

In addition, there are two or three areas, and I might mention one of them I have not heard discussed here yet, and if it is not discussed by this committee I will bring it up later.

Something came to my attention, which I think is patently unfair, in another matter with respect to workmen's compensation. So, as these matters come across my desk, through the members and through people making representations to me, they are under consideration.

**Mr. Martel:** Would you give us some indication after the debates are finished as to where you intend to move?

**Hon. Mr. Carton:** Oh, they are all being studied.

**Mr. Bullbrook:** That is very attractive.

**Mr. Chairman:** Mr. Haggerty, now please.

**Mr. Haggerty:** Yes, I want to ask a question there. From what I gather from the doctor, he tells me that compensation in a sense is recognizing its liability to compensate for chronic working conditions and this deals with respiratory diseases. You broaden it out

until it includes emphysema and fibrosis and—

**Mr. Legge:** The problem in all of these diseases, no matter what the diagnosis, Mr. Haggerty, is one of relationship to the industry. It has to be an industrial disease and it does not really matter what the diagnosis, if that can be established as to relationship.

The problem that Mr. Martel was raising, which is a very vital problem, and which Mr. Bullbrook was interjecting on, is whether or not a person is better off coming out of employment and going to live on compensation which will almost inevitably be less money than the lowest paid job—

**Mr. Ferrier:** No, that was not the issue.

**Mr. Legge:** Yes, it is really because of the—

**Mr. Chairman:** Wait until Mr. Legge finishes his answer, please.

**Mr. Legge:** The proposition that I am trying to establish—and it really is only applicable to some cases—is that a man with this type of disease is really much better off to stay in lesser employment than he is to come out of employment and go on full compensation, which is what section 116 would permit.

So your problem was that he stays in lesser employment for 15 years, say, and then comes out and the problem of relationship is when should the salary be assessed, at the time of the disability first arising or when he comes out of employment. Do I comprehend the problem correctly?

**Mr. Ferrier:** Not exactly, though.

**Mr. Legge:** I thought I did.

**Mr. Ferrier:** Suppose he is rated at a 25 per cent pension; if he stays in the mining industry he does not get that pension, but if he goes and works for Ontario Hydro or somebody else, he gets that pension at that moment. If he stays—

**Mr. Legge:** If he has, sir, a wage loss.

**Mr. Ferrier:** No, I do not think you will find that is the way it is.

**Mr. Legge:** I think that if you are going to say that, Mr. Ferrier, we would have to say what the disease is. Are you now talking specifically of silicosis?

**Mr. Ferrier:** I am talking specifically of silicosis. I know of a case of a man who worked for Ontario Hydro and got his pension

there just recently. But I know the case of another man who developed disabling silicosis, who was taken from underground and put in the dry. He continued to work at the McIntyre Mines after this developed in 1938. He retired in about 1965 and he got his pension based on his 1938 wages.

If he had gone and worked at some other job, not in the mining industry, he would have got his pension all those years. He would have got equal wages, no doubt, in any other industry. I think this is where there is real unfairness of the Act in terms of silicosis and silicoctics.

I think that somehow or other you have either got to make the pension at what they retire at from the mining industry or else, if they continue to stay in the mining industry, the pension should be paid. They are getting it two ways, the way it is now. It is not in favour of the workmen at all.

**Mr. Legge:** There may be hard cases in this particular area, but the principle that I tried to put on the record is quite clear. That is, there is a wage loss; he gets the difference, you see, when he leaves the industry.

If he stays on in employment he does not get it. I think the best thing for your case, Mr. Ferrier, is if you bring it to me and we will see what the problem is in that case.

**Mr. Ferrier:** I will refer that case to you and I might refer it to the minister.

**Mr. Chairman:** Mr. Haggerty? Mr. De Monte.

**Mr. De Monte:** I would like to ask Mr. Legge a question. I have had a case—

**Mr. Martel:** I just want to finish—

**Mr. Chairman:** I will give you another opportunity. I will put you down at the bottom here.

**Mr. Martel:** I want to finish this point. Mr. Legge started to answer it when my colleague interjected.

When he finally lays off, he has worked—

**Mr. Legge:** In the mines?

**Mr. Martel:** —in the mines, on the surface, why should his compensation—and he has a permanent 50 per cent disability—go back to 1956 or 1957 and be based on the rate of pay at that time? He continued to work. That is the injustice. It goes back 13 or 14 years to establish 50 per cent of payment.

**Mr. Legge:** I can see the problem of equity, but I think Mr. Azzarello has to remind you of the way the section is drafted, which is quite compulsive. Would you like to do that—

**Mr. Azzarello:** Well, I think that is for you—

**Mr. Martel:** I moved a private member's bill on it last year. The government has not picked it up yet.

**Mr. Chairman:** We will find out if this is just a quorum call, and whether or not we are called to the other place before we move. Would you like to answer, please?

**Mr. Azzarello:** The pertinent words in the section are "at the work at which he was employed," that is, exposure employment. As long as those words are included in the section, the applications that would be put to them at this point in time would be applications provided by the legislation.

**Mr. Martel:** It is a lousy Act!

**Mr. Ferrier:** Surely that can be amended?

**Mr. Bullbrook:** Certainly it can, but there is nothing gained in rubbing salt.

**Mr. Lewis:** Mr. Legge, you would agree with the appropriateness of making an amendment to that section?

**Mr. Legge:** I would agree to anything that would make the hard case an easy case. I am for it.

**Mr. Lewis:** Mr. Minister, there is a section in Hansard, which you should re-read, which you just missed.

**Hon. Mr. Carton:** I beg your pardon?

**Mr. Lewis:** I say there is a section in Hansard which you should re-read, which you just missed.

**Hon. Mr. Carton:** And what is that?

**Mr. Lewis:** You will see it at the 5:35 point in Hansard on this day—Mr. Legge's observation. I have a feeling that policy is made around workmen's compensation by the board.

**Mr. Chairman:** Mr. De Monte.

**Mr. Lewis:** —and therefore listen very carefully.

**Mr. Chairman:** Mr. De Monte please.

**Mr. De Monte:** I just want to bring up one case before I go on—

**Mr. Legge:** Excuse me, I hope you are not giving me credit that I am really not entitled to, sir?

**Mr. Lewis:** I think you will concede that I have not done so in the past.

**Mr. Legge:** Yes.

**Mr. De Monte:** Is there any reason, in the appeal procedure, for one party not being represented at a hearing when a decision is made that adversely affects the other party. For instance, an employer appearing and being called and the claimant not being notified of the hearing?

**Mr. Legge:** I have never heard of such a case.

**Mr. De Monte:** I have such a case, Mr. Legge, and I will send it to you. I understand that is the case—

**Mr. Legge:** Mr. Azzarello will have to say parties are notified of the hearings.

**Mr. Azzarello:** The procedure is that when an appeal of a decision is made and an appeal tribunal hearing is established, both the workman and the employer are advised of the date and the time of the hearing. The parties are advised of their rights in attending at that hearing, and that is in every case.

**Mr. De Monte:** I have a case where there was an appeal by the employer. I am informed that they held the meeting. I think at the appeals tribunal the decision of the lower tribunal was reversed and the workman was notified after that that it was reversed. I understand there was no notice sent to the employer.

**Mr. Legge:** It is a denial of natural justice which we would not tolerate for a second. If it happened in error, we will rectify it.

**Mr. De Monte:** Fine.

**Mr. Good:** Mr. Chairman, on this very point: If an employer launches an appeal against a decision and that appeal is before the next appeal tribunal, is that then, in fact, used up? That one level of appeal? The employee would have to go then to the final appeal, which would be the board, to argue this case further?

**Mr. Legge:** I understand in that situation that the employee got entitlement for his compensation at the review committee. It was appealed by the employer to the appeal tribunal and reversed?

**Mr. Good:** Yes.

**Mr. Legge:** Yes, he would have to go to the board.

**Mr. Good:** That would be the end of it then?

**Mr. Legge:** That would be the end of it.

**Mr. Good:** And so in fact the employee has had one level of appeal denied him? Is that correct?

**Mr. Legge:** No, he has not lost anything because at the board every level looks at it with fresh eyes and is not bound by the previous one. He has not lost anything except his time and if the case is sustained it would be paid.

**Mr. Good:** Yes, but the employee is not taking a very active defence on an appeal by the employer because it is against the decision of the board, at least of the review committee.

**Mr. Legge:** I agree that he would not.

**Mr. Good:** It is up to the board itself to lodge the defence against its own decision.

**Mr. Legge:** And the tribunal would look at it with those opinions firmly held.

**Mr. Good:** So if the employee loses that then he has only one more level and—

**Mr. Legge:** But as you say, sir, he could have appealed, but he did not actively oppose it because he had already had entitlement. Right?

**Mr. Good:** Yes.

**Mr. Lewis:** Mr. Chairman, may I, with your permission, deal directly on this point?

**Mr. Chairman:** Yes.

**Mr. Lewis:** It is a small matter, it will take only a couple of moments. I think this matter relates to a case involving the provincial legislative board of Ontario, Brotherhood of Locomotive Engineers.

**Mr. De Monte:** That is correct.

**Mr. Lewis:** And a letter was received by the board from Mr. Hounscome, the chairman of the Brotherhood of Locomotive Engineers.

**Mr. De Monte:** Mr. Chairman, that is the exact case I was dealing with. I am wondering whether I can therefore proceed, because I did bring that case to the attention of Mr. Legge and I think he is going to—



Interjections by hon. members.

**Mr. De Monte:** All we are doing now is repeating ourselves.

**Mr. Lewis:** I do not know whether it is the case you are referring to or not.

**Mr. De Monte:** It is the case.

**Mr. Lewis:** Is it? I have the material in front of me. I am not interested in vying with you, I have a copy of it sent to me in my name and I want to ask you what the procedure is. The chairman, Mr. Hounscome, says that he appeared on behalf of this man, a Mr. J. A. Thompson, as his representative to plead for entitlement.

**Mr. Legge:** Mr. Hounscome?

**Mr. Lewis:** Yes.

**Mr. Legge:** Yes.

**Mr. Lewis:** The entitlement to compensation was established and payment for the period of disability in the amount of \$4,240.76 was made.

He then learns from a letter of May 4 from the board that the board had seen fit to meet privately with the company's representative, "without advising me"—that is Mr. Hounscome—"so I could represent my member's interests" and decided that he was not entitled to compensation under the provisions of The Workmen's Compensation Act. On May 10 the board asked for a refund of the money paid to him as the result of the establishment of compensation benefits.

I can imagine the trauma of having been awarded \$4,240 at one point and then receiving a little letter which ends: "Would you be kind enough to return by money order the amount of \$4,240 to cover the overpayment in your file." That should be enough to induce yet another claim for disability payment, emotional overlays, psychological disorder, or whatever the consequences might be.

**Mr. Legge:** What is the date of that?

**Mr. Lewis:** The date is very recent. The letter to the board was May 17, 1971.

**Mr. Legge:** Do you know to whom it was addressed?

**Mr. Lewis:** It was addressed to the secretary, Workmen's Compensation Board.

**Mr. Legge:** And the name of the—

**Mr. Lewis:** From a Mr.—is it a Mr. Broughton, claims officer? The request to repay the \$4,240, from Mr. Broughton, the claims officer came on May 10 to this claimant. On May 4—

**Mr. Hamilton:** Did it come from a claims officer?

**Mr. Lewis:** It came from a claims officer.

On May 4 the director of the review committee wrote a letter to Mr. Thompson which said:

The Canadian National Railways recently appealed the allowance of this claim and the file was investigated and the claim was then referred to the review committee for consideration.

**Mr. Legge:** There have been no hearings yet?

**Mr. Lewis:** No.

**Mr. Legge:** No.

**Mr. Lewis:** Forgive my ignorance, but is that normal, that the review committee on an appeal, in effect, from the employer should reverse a claim of that size—I suppose any size?

**Mr. Legge:** It is certainly not normal.

**Mr. Lewis:** Without the employee present, nor the employee's representative?

**Mr. Legge:** There is no hearing so he cannot be present, but it certainly would not be done in a void. It is a most extraordinary case, from what you say.

**Mr. Chairman:** Mr. Azzarello?

**Mr. Martel:** Is that the same claim?

**Mr. De Monte:** That is the same claim.

**Mr. Lewis:** The same one.

**Mr. Azzarello:** There is some confusion here because we talked about a man not being represented at a hearing and you are talking about a decision at the review committee level, in which case there has never been a hearing.

**Mr. Lewis:** Yes.

**Mr. Azzarello:** I cannot deal with it in total until I look at the case and until I really know what was said and what happened. But it could happen that a claim would be appealed by an employer and be dealt with by the review committee and the decision

would be reversed and the man would be notified that a decision had been reversed.

It is most unlikely, although I guess it is possible, that he might not have been aware the decision was appealed, but not necessarily so. This would be rarefied atmosphere, because there are very few of these. I would like to look at the case and then talk about it.

**Mr. Lewis:** Well, fair enough. Is it not a practice of the board in any such instance—when the review committee re-assesses a claim that was granted on the basis of a request for disallowance from the employer—is it not normal to inform the original claimant immediately?

**Mr. Azzarello:** The practice is that when an appeal is received the party should be notified that an appeal has been received and the claim is being considered. And we do that automatically as a matter of course, but you are saying that it has not been done—

**Mr. Lewis:** It may have been, I do not know.

**Mr. Azzarello:** We started to talk about a hearing and then appearing at a hearing.

**Mr. Lewis:** That is a confusion in the mind of the man who wrote the letter, I think, as to the hearing part of it. Suppose, as in this case, this man was an active trade union member, would you inform his representative at the initial granting of the claim, as well as the man himself? Or—

**Mr. Legge:** At the claims department level?

**Mr. Lewis:** Yes.

**Mr. Legge:** No, because likely there would have been no representation made by that union at that level.

**Mr. Lewis:** Probably the representative of the union would have spoken to a claims officer on behalf of the man, as I understand it?

**Mr. Legge:** If there had been any contact at all so that it was an identifiable person and an identifiable claims officer, I would think that there would be a telephone call or some sort of thing saying to that union fellow, "Do not worry about that case any more because it was granted."

**Mr. Lewis:** Okay, the letter opens: "In March of this year I appeared on behalf of Mr. J. A. Thompson, as his representative, to plead our request—"

**Mr. Legge:** Well, this is the misleading thing, of course.

**Mr. Lewis:** It suggests that he had contact with the claims officer?

**Mr. Legge:** Yes.

**Mr. De Monte:** There is no doubt about it that he had contact with someone. The decision was rendered and then it was later reversed and it was reversed without the claimant or his representative being there.

**Mr. Martel:** Would it not go back to the review committee?

**Mr. Azzarello:** The staff procedure is, where representation is received on behalf of a man, from a union member, from a member of Parliament, from a lawyer, that when the decision is made then that person who represented the man receives a copy of the decision and any other further explanation that he has asked for in making his representation. And that is standard operating procedure.

**Mr. Lewis:** All right, I think this is unfair. You should obviously give us the details of the case as you know them.

**Mr. Legge:** We will be happy to do that.

**Mr. Azzarello:** The reason I am having a little trouble with that is because it is part of our Ditto machine application. We have a card and all they do is run it through a Ditto machine and put on it the man's name and address and whatever. It tells him that the claim has been considered for reopening. It is an REO something and every claims officer should know how to use that card and when to use it.

**Mr. Lewis:** This may reveal something to you internally, as well as to us externally.

**Mr. Chairman:** Mr. De Monte, do you wish to proceed again?

**Mr. De Monte:** Yes, I do. I would like to reiterate the statements made by the member for Sudbury in connection with the welfare component and the industrial component. I am not going to repeat what he said. I think he put it succinctly and I trust that the minister and Mr. Legge have taken that part of today's proceedings and will listen to them.

I just have one problem with the accounts of the Workmen's Compensation Board and I notice on page 7 of the report for 1969

that the percentage of the administrative expenses is 6.9 per cent.

**Mr. Legge:** That is correct, sir.

**Mr. De Monte:** I would like to find out really whether that is correct. If you accept one figure in the report it is 6.9 per cent and I see for accident prevention you have 3.6 per cent.

**Mr. Legge:** That is correct, sir.

**Mr. De Monte:** I am looking at this report as a layman and I am just trying to understand the report so that I can find out what the actual percentage of the administration is. Now I go to page 20 and I notice an item there, "head office administration services performed for other divisions." I understand there are two different schedules under the Act.

**Mr. Legge:** Yes, one and two, sir.

**Mr. De Monte:** One and two. Two is in connection with—

**Mr. Legge:** CNR.

**Mr. De Monte:** CNR-government where the claim is assessed at the time the accident happens and the employer is assessed. Is that correct? Could I find out where head office administration services perform for other divisions? To what divisions would they be allotted? The question I am trying to ask is, it seems that that is administration expenses and should be included in the total of \$10,000,997?

**Mr. Legge:** I think Mr. MacDonald can answer that, Mr. Chairman.

**Mr. A. G. MacDonald:** The board operates its own hospital which, if it did not operate, it would have to pay for services, and these are basically at triple the cost. Head office service is done for that hospital and is recovered through medical aid.

**Mr. De Monte:** They are recovered through medical aid? Are they?

**Mr. A. G. MacDonald:** Most of them are recovered through medical aid.

**Mr. De Monte:** That is the medical aid section. Where is that?

**Mr. A. G. MacDonald:** If you look on page 23, you will see compensation of medical aid in total there. It is as a total.

**Mr. De Monte:** Where is that?

**Mr. A. G. MacDonald:** Page 23.

**Mr. De Monte:** I know where page 23 is but where is—

**Mr. A. G. MacDonald:** It is as part of the \$107 million. I might emphasize that we operate that hospital at about a third of the daily rate of any other hospital of that nature.

**Mr. De Monte:** Oh, I appreciate that. I just wanted to know. In other words, part of the head office administration is allotted to medical aid; is that correct?

**Mr. A. G. MacDonald:** It is part of the cost of operating the hospital rehabilitation centre which is properly part of medical aid, because it is providing a medical aid service.

**Mr. De Monte:** Is there not a medical aid item here, though? Is there not some—just a second I have my notes here.

**Mr. A. G. MacDonald:** We do not separate compensation from medical aid in the reports. As I say, on page 23, the second column after assessment is compensation of medical aid in total.

**Mr. De Monte:** This column right here for \$107,463,000; is that what it has cost to operate the hospital?

**Mr. A. G. MacDonald:** No; that is the total amount of compensation paid to workmen, plus the total amount of medical aid paid to all hospitals and doctors in the province.

**Mr. De Monte:** I see; and that amount there of \$2,586,761 is the amount of administrator's expenses?

**Mr. A. G. MacDonald:** It is not administration. It is the cost of operating the hospital which is done at head office. There are some done there and some done here at head office.

**Mr. De Monte:** To complete my question, that is part of the cost that you have spent at head office in order to operate the hospital. You allotted that cost to that—

**Mr. A. G. MacDonald:** We have allotted it to the hospital as operating expenses.

**Mr. De Monte:** As operating expenses of the hospital. Therefore, they are not administrative expenses. That is what I think you are trying to say.



**Mr. A. G. MacDonald:** That is right. Exactly.

**Mr. De Monte:** Okay. How about the amount of \$4,550,000 on page 24? That is purely industrial—what do you call it?

**Mr. A. G. MacDonald:** That is 3.6 per cent.

**Mr. De Monte:** That is 3.6. That is also not considered part of administration, although it comes out of the administration costs of the Workmen's Compensation Board?

**Mr. A. G. MacDonald:** No, sir, the provision of a teacher is not an administrative cost, whether it is in a school or whether it is in a safety association. It is the pay of a teacher. The administration cost would be the fellow who administers the teachers and the secretary, and so on. So they are quite definable things. The provision of medical services to an injured workman is not administrative costs, but it has to do with the active control of treatment, the active provision of treatment in a hospital or any kind of institution.

It is not administration. The administration of the board is very succinctly put. It is the operation of the insurance company. It is the operation of the adjudicative system, this sort of thing, but not the provision of the teachers of safety or the provision of doctors.

**Mr. De Monte:** That really breaks down to a matter of opinion. Your point might be well taken but—

**Mr. A. G. MacDonald:** I hope so, sir, I really sincerely do.

**Mr. De Monte:** I am merely trying to find out where the costs are going and I think that is my duty.

**Mr. A. G. MacDonald:** I agree.

**Mr. De Monte:** Your opinion might not be well taken if you calculate all costs in direct relation to the amount that comes in. I would suggest that the \$4.540 million is part of administration but your opinion is different and you are entitled to your opinion. How about the—

**Mr. A. G. MacDonald:** Excuse me, Mr. De Monte, we do not disguise that in any way. We show it at 3.6 per cent.

**Mr. De Monte:** I am not saying you do.

**Mr. A. G. MacDonald:** If you wish to add 6.9 and 3.6 to get a figure that you think is administration then—

**Mr. De Monte:** It is 10 points or whatever it is.

**Mr. Legge:** But it is not, of course.

**Mr. A. G. MacDonald:** We do not think it is and we have been doing this for some 56 years. This is not something that came up just recently.

**Mr. De Monte:** I am not trying to intimate that you are hiding anything because if you were hiding it, it would not have been on page—whatever it is. I merely want to point out, not to you, sir, but to the legislative assembly that the costs are much more than the 6.9 that you say on page 7.

**Mr. Legge:** No, but the costs of safety, Mr. De Monte, which is what you are talking about on page 24, can only become more and more if you want this Workmen's Compensation Board, which is a servant of the workmen and of this Legislature, to be active in the safety war. There is not any point to saying that that is the cost of administration because it is not. It is a cost of safety instruction, or the safety war, however you want to see it.

It has nothing to do with running 90 Harbour Street or the insurance company or the system of adjudication, all of which are properly charges on administration. Your proposition in trying to link the very activist role of safety with administration, I suggest with all humility, just does not wash from an accounting point of view, because they are not administration, they are activities. It is an activity just like setting a man's leg.

**Mr. De Monte:** Sure, but it is all part of the cost, I would submit.

**Mr. Legge:** It is said in the audited statement, sir, to be the cost. It is said to be, in fact, 3.6 of the cost for safety, which it precisely is, nothing else. Not administration. No way.

**Mr. De Monte:** The \$126,504 on page 21—head office administration services. Where would they go, Mr. Legge or Mr. MacDonald? Head office administration services; is that another allotment for services to some other department?

**Mr. A. G. MacDonald:** Yes, that is also a reverse transfer. We operate a claims officer service to the workmen at the hospital. He is just adjudicating claims and because it goes the other way round, we are quite fair, we take it back.

**Mr. De Monte:** Take it back into the account?

**Mr. A. G. MacDonald:** We are trying to account for it and it is a proper charge on administration.

**Mr. De Monte:** Where does this claims officer operate?

**Mr. A. G. MacDonald:** He is located in the hospital and he is there to provide that administration service to the people in the centre.

**Mr. De Monte:** Helping people with their processing—

**Mr. A. G. MacDonald:** Well, it is not just one man. It is a cell.

**Mr. De Monte:** It is a cell. Safety education too is allotted to the \$811,000 on page 24. Where is that allotted?

**Mr. A. G. MacDonald:** Well, Mr. Draper is here. In addition to the safety association—

**Mr. De Monte:** That is used for the safety education aspect of the Workmen's Compensation Board; it is other than the funds that go to the Industrial Accident Prevention Association?

**Mr. A. G. MacDonald:** We operate a mailing department, a printing department and a number of other departments that provide services at quite a saving to what it used to be.

**Mr. De Monte:** I am not questioning that. I just want you to define the expenditure. We do this all the time in the House. We question the expenditures of the ministers; perhaps that is all we do in some cases. I am just asking you where the amount is allotted, and it is allotted for your safety education campaign. Is that correct?

**Mr. A. G. MacDonald:** That is correct.

**Mr. De Monte:** And you have a staff, a board that does this and—

**Mr. A. G. MacDonald:** They are actually located in the Arcade Building with the safety association.

**Mr. De Monte:** With the safety association. And you have allotted to them \$811,000 for that purpose?

**Mr. A. G. MacDonald:** That is right.

**Mr. De Monte:** How about the \$1,648,839 for administration services performed by WCB head office?

**Mr. A. G. MacDonald:** What page are you on now, sir?

**Mr. De Monte:** I have not got the page number.

**Mr. A. G. MacDonald:** I think we answered that.

**Mr. De Monte:** Did you?

**Mr. A. G. MacDonald:** I think we answered that one earlier.

**Mr. De Monte:** Maybe I have had that. Okay, that is fine.

Section 86, the penalty section, I understand that—

**Mr. A. G. MacDonald:** Section 86(a).

**Mr. De Monte:** Under section 86(a) there is \$2,488,000. How are those penalties assessed?

**Mr. Legge:** Yes, sir, you put your finger on one of the most effective mechanisms and unique to this legislation in Ontario; to our knowledge no other legislation in the world has this section. This is a penalty that is imposed on an employer for an unacceptable level of safety activity or safety results, if you like, in his firm—

**Mr. De Monte:** Or a high level of accidents.

**Mr. Legge:** Yes—based on the cost and frequency routine, and the only way in which you can get a succinct expert picture instantly is from Mr. Draper. I have told you the principle; he will tell you the policy.

**Mr. Draper:** In this particular case, sir, a firm will receive an additional assessment over what it would normally have received to pay for its compensation and medical aid to its employees.

The basis of this award or deterrent is a threefold approach. The firm itself must have a deficit financial history with the board since it started. In two of the three years under consideration, the firm must be in deficit position, or in the red—the board paid out, in

fact, more in the behalf of the employees of that firm than it received from the firm—

**Mr. De Monte:** That is an individualistic assessment and not in the class that the firm is in.

**Mr. Draper:** Yes, it is an individual firm, and that firm's frequency rate must be 25 per cent higher than that of the industry in which it is engaged. If this happens, the firm receives this additional assessment. It is appealable by the firm. There are some financial considerations or bases for appeal, but perhaps in 90 per cent of the cases it is their safety record that determines whether or not they will pay that amount or whether their appeal will be granted. And the basis of this is a thorough investigation by our accident prevention association.

**Mr. De Monte:** Can that be appealed to the tribunal?

**Mr. Draper:** All the way, sir—to the review committee, the appeal tribunal, or to the board itself.

**Mr. De Monte:** Do you have a list of the firms?

**Mr. Good:** Is Burns and Company of Kitchen on here?

**Mr. Draper:** I am sorry, sir; if I knew it I could not reveal it.

**Mr. De Monte:** How about the Ford Motor Company?

**Mr. Draper:** I could not reveal the names of any of them, sir.

**Mr. De Monte:** Pardon?

**Mr. Draper:** I could not reveal the names of any of the firms that were charged under this section of the Act.

**Mr. De Monte:** Why not?

**Mr. Draper:** Because I am given to understand that this is not permitted in an area where the public might be present.

**Mr. Martel:** What?

**Mr. Lewis:** What is the rationale for that?

**Mr. De Monte:** Do you mean to tell me that there are people that you have fined—

**Mr. Draper:** Not fined, sir, but have received additional assessments.

**Mr. De Monte:** All right, that you have reassessed—

**Mr. Draper:** Yes.

**Mr. De Monte:** And you cannot reveal the names?

**Mr. Draper:** That is correct, sir.

**Mr. De Monte:** Why?

**Mr. Chairman:** It is very detrimental to the—

**Mr. Draper:** I will have to decline giving the information. There is a reason for it, sir.

**Mr. Legge:** May I just ask Mr. MacDonald to read the letter that is put on the board on this matter. Section 97, Mr. MacDonald.

**Mr. A. G. MacDonald:** Section 97(1), gentlemen, states:

No officer of the board and no person authorized to make an inquiry under this part shall divulge or allow to be divulged, except in the performance of his duties or under the authority of the board, any information attained by him or that has come to his knowledge in making or in connection with an inquiry into this part.

And this has been held over the years, that we could not provide an employer's experience to either a trade association or another employer, without a written permission from the employer.

**Mr. Lewis:** The minister is excluded from that.

**Mr. Legge:** Yes, I agree, Mr. Lewis, the minister is excluded.

**Mr. Lewis:** This minister is a very forthcoming fellow. He has given us the names the day following. He is noted for that.

**Mr. Good:** On that particular point, is this assessment mandatory or if safety programme is established within that plant, can this assessment be deferred?

**Mr. Legge:** The object of the section 86(6)(a) is to drive out of business an employer who is unsatisfactory from the point of view of safety. It is not designed to raise



revenue for the board; therefore, if this unsatisfactory employer pulls up his socks, implements a safety programme that brings him back in line with the safety of his peers in that industry, then the fine will be remitted, the imposition will be remitted.

**Mr. De Monte:** You would remit the fine if he—

**Mr. Legge:** I would remit the imposition.

**Mr. De Monte:** Imposition is a good word; you can remit the imposition?

**Mr. Legge:** Yes, and we do. I would say, if the figure you are quoting is \$2.4 million, I would guess that the impositions levied would be more than \$4 million.

**Mr. Lewis:** Mr. Minister, would you be ready to indicate to the committee those upon whom the imposts have been placed and those who have had it remitted?

**Hon. Mr. Carton:** No, Mr. Lewis.

**Mr. Lewis:** You would not? You do not think it is in the public interest to know those industries that have transgressed and therefore been reassessed by the board?

**Mr. Boyer:** It is 6 o'clock, Mr. Chairman.

**Mr. Chairman:** Further questioning at 8.

**Mr. Lewis:** I suspect it would take a minute or two beyond 8.

It being 6 o'clock, p.m., the committee took recess.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Labour

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Thursday, June 17, 1971

Evening Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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of this issue.)

# LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, JUNE 17, 1971

The committee resumed at 8:05 o'clock, p.m.

## WORKMEN'S COMPENSATION BOARD (concluded)

**Mr. Chairman:** Do you want to proceed, Mr. Pilkey?

**Mr. C. G. Pilkey (Oshawa):** I want just for a moment to get back to this demerit system mentioned in The Workmen's Compensation Act. In the Act it does say that the board may assess a levy, an imposition, on the employer. It goes on to say, too, that they may require the employee to establish one or more safety committees at the plant level.

The question I would like to put is: Has the board made any rulings that safety committees be initiated in any of the plants in the Province of Ontario?

**Mr. B. J. Legge (Workmen's Compensation Board):** No, sir, because the board believes that these committees are only effective if and when there is a desire on the part of both parties to take part in such committees' activities. If you order a committee, it implies that one or other of the parties is not willing to do it and it to be coercer, and therefore as a consultative and voluntary body trying to achieve an objective it is not going to be much more useful than a conscripted soldier.

**Mr. Pilkey:** My impression was that when the minister (Mr. Carton) introduced the amendments to The Workmen's Compensation Act he implied that this would be imposed; an edict, in other words, from the board on these employers whose incidence of accidents had increased dramatically, and he was going to just unilaterally make them provide a joint safety committee in that operation. I appreciate what you are saying about the imposition, but surely every employer in the Province of Ontario understands that section of The Workmen's Compensation Act implicitly? And if he is in violation of the spirit of the Act, surely the board should not hesitate, in my view, to initiate this kind of procedure?

**Mr. Legge:** Nor would we if it would be of any use, sir. The thing that is much more held in fear and awe by the employer is not the imposition of a joint committee at the plant level, but the really awesome prospect of being put out of business by the imposition. If we thought in any particular case, on the recommendation of the director of safety, that this would do that much good we would do it. But so far it has not been necessary, because even with the threat of the penalty the corrective action has been taken.

Now I do not purport to be an expert in this matter at all, except on the financial side, and I would like you to hear from Mr. Draper, who has to deal with his problem at the plant level.

**Mr. J. W. P. Draper (Workmen's Compensation Board):** Sir, the problem we face here is a real one. It would be possible for the board to impose safety committees at the plant level upon certain plants which were charged under this section of the Act. From a practical side—and this had a lot of consideration with both management and labour leaders—if a committee is imposed on a plant that has a bad record, that is not really doing anything about safety, the danger exists that this plant can use, or the management could use, the safety committee as a crutch, if you like. They could say: "We have carried out the rulings of the board, we have appointed a committee and so many people will be on it," and they can sit down and talk whenever they want and they would have fulfilled the requirements. What we are looking for is a true safety programme, and not for excuses.

**Mr. Pilkey:** But surely, with great respect, you have applied this section—maybe not in that vein—but you have applied this section in terms of fines or impositions in relation to a financial deterrent against the corporations. You have increased their levy. Is that the term they use?

**Mr. Legge:** Assessment.

**Mr. Pilkey:** Assessment. And you have increased the assessment as a deterrent, to generate good safety practices?

Mr. Legge: And they might, Mr. Pilkey, as a result of this threat hanging over their heads, take the initiative to form a plant committee with their union leader.

Mr. Pilkey: Obviously, from the fact that you have made these additional assessments, it follows that there are some employers—name unknown—who have not taken cognizance of this section of the Act and are just going on their merry way. And at some point, in some method, it has been revealed that they have not been living up to the safety standards—

Mr. Legge: Of their peers.

Mr. Pilkey: Right. So I think if you are really saying to me that the assessment has resulted in good safety practices in those plants where the assessment has been made, and that is ample to correct the situation, if you are saying that, fine—

Mr. Legge: What I am saying is the threat of being put out of business by this supertax on their assessment almost without exception has caused the necessary corrective action to be taken immediately. That is what I am saying precisely.

Mr. Pilkey: How many plants in the last two years, as an example, have you put an assessment on? How many?

Mr. Draper: Approximately 3,200 have been assessed during a two-year period, sir. Some of them would be assessed for the second time. But there would be approximately 3,200 assessments issued in a two-year period.

Mr. Pilkey: This would be the result of bad safety practices?

Mr. Draper: That is right.

Mr. Chairman: Not necessarily, not that alone. It could easily be bad luck in the sense that you have some accidents that are very serious and increase your ratio.

Mr. Pilkey: Yes, but by the same token—okay, there may be some that have bad luck, but my guess is that—

Mr. Legge: In that case they usually appeal.

Mr. Pilkey: But my guess is that the incidence of accidents has escalated in the Province of Ontario. If I could put one more question, then I want to make a comment on that. How many industrial accidents did we have in the Province of Ontario in 1970?

Mr. Legge: Three hundred and seventy-three thousand, sir.

Mr. Pilkey: Is that up or down from 1969?

Mr. Legge: Almost imperceptibly down from 1969 because of many factors, including the lack of pace in industry.

Mr. Pilkey: And it is not possible for us to know who these companies were that this assessment was placed on?

Mr. Legge: That is my position. It is the interpretation that the board has made, sir. We do not hold ourselves out to being the Supreme Court of Canada in these matters, but we say that the Act speaks very clearly and very threateningly to us if we do not take that line.

I think there are many good philosophical and practical reasons for that section of the Act. It is not my job to defend the Act, but simply to explain what the philosophy behind it is. That is, if you make available to the world—and that is to whom it would have to be made available, to anybody—that a certain company was in a serious economic plight because of the imposition of these extra charges in compensation, then it is at an unfair disadvantage with its competitors. It is in an unfair position in almost any way that you can look at it. It is subject to take-over bids. It is subject to everything. And you just, I think, could not make this available.

Mr. Pilkey: But surely—

Mr. Chairman: It is imposing a penalty beyond the law.

Mr. Pilkey: I do not know how this would put them at a disadvantage in their competitive position, that they are not providing the same safety features that some other employer in the same competitive field is providing.

Mr. Legge: Well, you have detected a real weakness. That might very well be so, that they are not providing. On the other hand, sir, it might very well be that they are not very adroit, not very skilful, not very management-conscious about this sort of thing, which can be corrected once the computer chops out that they are reaching the danger line, and then Mr. Draper and his teams go into action. And as I reiterate with pleasure, the imposition of these penalties has resulted, in almost half the cases, in the penalty being remitted because they have corrected the situation. If the world knew that they were in this trouble we think that it would be unfair.



**Mr. Pilkey:** Did you say it was something like \$4 million? Did I hear that figure?

**Mr. Legge:** Yes, more than \$4 million.

**Mr. Pilkey:** More than \$4 million. But the money that the board actually—

**Mr. Legge:** That was \$2.8 million.

**Mr. Pilkey:** You retained \$2.8 million?

**Mr. Legge:** Yes.

**Mr. Pilkey:** That was not refunded?

**Mr. Legge:** Right.

**Mr. Pilkey:** I say this to the minister—

**Mr. Legge:** It still may be refunded, sir; it has not yet been.

**Mr. Pilkey:** Yes, okay. But I say this to the minister, with great respect, that surely if we are setting up anything that would act as a deterrent to the corporations in this province, to bad safety practices, I submit that if their names were made public—

**Mr. Legge:** Yes.

**Mr. Pilkey**—it would act as more of a deterrent than is presently being done here in the Province of Ontario. I suggest, very frankly, that where there are bad safety practices then that their names should be known to the public. As I understand—

**Mr. Legge:** But—

**Mr. Pilkey:** Just let me finish now—

**Mr. Legge:** Yes, okay.

**Mr. Pilkey:**—that the WCB benefits and pensions in the Province of Ontario amounted to something in the neighbourhood of \$120 million. Those are round figures, but it is in that area of \$120 million, and in addition to that there is something like, well you mentioned it, 373,000 industrial accidents—

**Mr. Legge:** Reported.

**Mr. Pilkey:**—reported, and some of them very serious. If we are going to spend that kind of money, if we are going to use the media to put educational programmes forward to at least make people more safety conscious, I just say that one of the ways I would think this could come about is to reveal the names to the public in the public forum—and particularly to this Legislature—who those companies are that are in violation of this section 86 and where the assessment was made.

I submit very frankly that a lot of these companies will then, I would think, make a double effort to provide the safety measures that are necessary in these corporations.

**Mr. Legge:** I think there is an arguable contention there and I am not being adamant about it. But the hon. Mr. Justice McGillivray, who knows a deal about human and civil rights, dwelt on this matter and he thought it would be against the fundamental Canadian rights of the citizen.

I think you can carry it a step further and say it is a strange and unusual punishment, it is not unlike putting a person in the stocks, it is a pillorying of them, when they may have acted in very good faith. It may be simply a matter of this accident situation being beyond their control in that plant and that strenuous new and effective measures are required. There is not any intent at wrongdoing.

The other thing is the parallelism with the workmen, and that is, I am sure you would agree with me, that the last thing any member of the board of any member of the team would want to do would be to make available to the public the names of an injured workman, about the kind of disability he had and so on. We have just taken the position that this section of the Act—which was in there a long time before 86(6a) but still pertains to the amended sections—pertains as much to the workmen as to the employer and that is the interpretation we have had to put on it. I do not say you are wrong.

**Mr. Pilkey:** No, but I think we are spending a lot, we are spending about four per cent on accident prevention education. About four per cent.

**Mr. Legge:** Oh, yes.

**Mr. Pilkey:** That is a lot of money.

**Mr. Legge:** It is indeed.

**Mr. Pilkey:** How long do we continue that kind of an expenditure in this province?

**Mr. Legge:** I think it might be more.

**Mr. Pilkey:** Well, it may be more.

**Mr. B. Gilbertson (Algoma):** In which industries might it be more? What particular industry?

**Mr. Pilkey:** I am talking about the average across the province.

**Mr. Legge:** In the Electrical Utilities Safety Association, for example, it is a very high part of the assessment dollar. How high, Mr. Draper?

**Mr. Draper:** Direct costs for their association, 42 per cent of the assessment dollar.

**Mr. Pilkey:** Going into accident prevention?

**Mr. Legge:** Yes, it is a highly dangerous industry of course.

**Mr. Draper:** At the wish of the employer groups we had a visitor from New Zealand a month ago who went out and visited their training centre. He was amazed at the fact that their rate—which is a measure of their success—is \$1.40 per \$100 of payroll, which is not significantly above our average rate of \$1.14, which includes many 15 cent rates, was regarded in this country on that level, when in his country it was considered a very high hazard industry; and how could it be possibly less dangerous, according to the rates, than the construction industry for instance?

He just could not understand that until he went out to their centre and saw what they were doing in training people in safety. And this was a gentleman from New Zealand who was vitally impressed by the fact that they are devoting that much money in the cause of safety and showing results.

**Mr. Pilkey:** Another question in this regard: Has the board contemplated spending any more of their, you cannot use the term budget, but the money that they have available, are they contemplating spending any more than four per cent?

**Mr. Legge:** I am sure, without having really gone into it in a concrete way, but theoretically if it could be demonstrated to the board by the safety associations that more money was required, Mr. Hamilton and Mr. Decker and I would not bat an eye at voting a higher percentage.

The problem always is to get value for money. You can throw away a lot of money on the expensive media campaigns, for example, and you may not be getting a return on your money. You might be better off to hire a lot of professional engineers.

But again, you are only going to be dealing with specialized problem companies, and this is a continual state of assessment. We are not tied to any fixed budget and if it could be demonstrated that the money could be usefully spent, we would not hesitate to amplify the budget.

**Mr. Pilkey:** Okay. I want to ask another question, or I want to make a comment, particularly on these partial disabilities, we talked about them earlier—getting a benefit under the Social and Family Services department, or in other words, welfare.

Let me tell you that this condition is even going to become more prevalent. I understand that under the new Unemployment Insurance Act, where previously an employee who was on a temporary partial disability benefit could, in addition to that, if his doctor indicated that he could do light work, he could also pick up a UIC benefit. Therefore a number of them really did not have to apply for welfare because they could pick up an unemployment insurance benefit.

Well, as you know, this new unemployment insurance scheme is coming on July 1, and as a result of that they will not be able to go back and antedate the claim. Let me put it to you this way. Previously if an employee was on a partial disability benefit he could collect the UIC benefit. In other words, if he was out for 10 months on compensation, then on the day when he went down and applied for a UIC benefit they went back and picked up his contributions for that year.

Under this new Act they will only be able to go back 52 weeks and he has to have 20 contributions in the 52-week period. Obviously if he has been on compensation for even nine months or eight months, he cannot go back; he will not qualify for a unemployment insurance benefit. What I am really saying is that we are just going to find more of these people who are put in the light work category finding themselves on the welfare rolls in the province.

I appreciate your argument earlier that there are a lot of schemes that come into effect, but by the same token you know, I just happen to think that a person who is available for light work and who is on compensation should continue with the benefit. As I say, we are going to find more of these people on the welfare rolls in this province as opposed to picking up an unemployment insurance benefit. It is another reason why this area should be reviewed and examined by the government—I say this to the minister—to make the necessary legislative changes that are going to guarantee these people a decent benefit without any unemployment insurance benefits attached to it. That is one thing.

The other thing that I also wanted to say in this regard too, is that, as the Chairman

pointed out earlier, something to the effect that it was very difficult to separate the compensable injury or his condition from a veteran's; maybe it was caused by the war, he is an alcoholic, and you named a number of other—

**Mr. Legge:** No, a victim of the highway is most common.

**Mr. Pilkey:** Right.

**Mr. Legge:** Highway accidents.

**Mr. Pilkey:** Highway accidents. And you made the observation that his actual industrial accident may not be really relevant to his being injured in the war—being an alcoholic or a highway accident, and so on—but I submit, very frankly, that the employee was working at the time and he was fully employed. None of these things came into play. He may have been an alcoholic, but he is still fully employed. He may have been injured formerly in an accident on the road, but he is now fully employed and earning his way and he is at least providing his family with, I would hope, a decent standard of living. And all of a sudden he finds himself in the 50 or 25 per cent position, and then you are saying that these things come into play and why should the Workmen's Compensation Board be responsible when—

**Mr. Legge:** Well, not quite.

**Mr. Pilkey:** Well, you said that. Why should they be responsible—

**Mr. Legge:** No, I did not.

**Mr. Pilkey:** —for that unrelated cause—

**Mr. Legge:** No, what I said, Mr. Pilkey—

**Mr. Pilkey:** —the reason that they cannot return to work was because of the accident they had on the road.

**Mr. Legge:** No. I said that there is no way under the legislation in which compensation can be paid for the disability that pertains to another cause.

**Mr. Pilkey:** Yes, but—

**Mr. Legge:** And there are all sorts of people who were at work and who have an accident, a rather minor accident, that keeps them away for five or six weeks; but the total of all their disabilities from the war, from the highway, from whatever cause, keeps them from returning to work.

**Mr. Pilkey:** Yes, but, with great respect, when that fellow came out on compensation he was working at the time. These other conditions—he was working with them, and his employer was satisfied with these conditions that you bring in along with this—

**Mr. Legge:** But I did not say that this is a difficulty in all cases. It is often a difficulty in permanent disability cases where a fellow has a bad back from a highway traffic accident, say. Then he has ever so slight an injury in his employment which takes him away from work for two or three weeks, say. Then really his permanent disability is not made any worse by that accident, but because of the economy, because of a thousand reasons he does not go back to work. Surely you are not suggesting that the Workmen's Compensation Board should keep him forever because of the—

**Mr. D. M. De Monte (Dovercourt):** No, thin-skulled man.

**Mr. Legge:** We recognize the thin-skulled man on the document—the tortfeasor takes his victim as he finds him—of course we do. We recognize it in all sorts of cases. We recognize it in the case of the man who was a normal, nervous sort of fellow until he had his accident, whereupon he became a nervous wreck. And if that is the evidence then he is in fact maintained for life from this.

But we are not talking about the dramatic case. I am trying to explain the difficulty in the ordinary, less than dramatic cases, and it is a very difficult problem, believe me.

**Mr. De Monte:** Pursuing that point just a little further, how about the man who was hurt in a compensable injury prior to his second accident?

**Mr. Legge:** Yes.

**Mr. De Monte:** I was before the board last week and I think they did recognize—

**Mr. Legge:** Yes.

**Mr. De Monte:** —the fact that the second accident aggravated a previous injury.

**Mr. Legge:** So compensation would be paid in full.

**Mr. De Monte:** That is right.

**Mr. Legge:** Absolutely.

**Mr. De Monte:** But I wonder if the member for Oshawa is trying to point out—for instance, a war injury.



Mr. Legge: Yes.

Mr. De Monte: Suppose he has a bad back and he hurts that in an industrial accident. You would not recognize his propensity to the type of injury he could probably be subjected to if he is a bricklayer and he hurt his back during the war. You would not recognize his thin skull and—

Mr. Legge: Yes, I would, and the board does, and we are not getting across because we are talking about two different things. The temporary total disability—

Mr. A. G. MacDonald (Workmen's Compensation Board): Only the disability which arose from his accident.

Mr. Legge: Exactly. The board would pay for the temporary total disability that arose from his industrial accident.

Mr. De Monte: That is a permanent aspect.

Mr. Legge: If there were permanent disability it would pay something. But if it was only an aggravation of the previous injury, it would only pay part because the man is still getting—

Mr. E. W. Martel (Sudbury East): Yes, but that man earned a full living up until that time.

Mr. Pilkey: Yes, that is the point.

Mr. Martel: The man was able to live up until that time. His condition did not put him out of work, and as a result of that he is then out of work.

Mr. Legge: Okay, all right. If there were a permanent disability arising from the industrial accident he would get a permanent disability from the Workmen's Compensation Board and he would continue to get his disability pension from the Canadian Pension Commission in the case where there was a permanent worsening.

Mr. De Monte: Well, suppose he had a car accident and his back was damaged—

Mr. Legge: Before or after the industrial?

Mr. De Monte: Before the industrial accident—say before the industrial accident—

Mr. Legge: Yes.

Mr. De Monte: —and he is injured in an industrial accident. You would not recognize his thin skull or the previous injury he had.

Mr. Legge: If there was a worsening of his permanent disability, we would pick up part of it.

Mr. De Monte: It is part of his propensity, because he had the accident, for having an industrial accident.

Mr. Legge: We do in all sorts of cases, and I think perhaps we should get some of them in the record. I would like you to deal with the blind situation, Mr. Azzarello, and that sort of thing, where, in fact, we do enhance the figures.

Mr. Pilkey: Could I just make one comment? It seems to me that the foundation of the Workmen's Compensation Board, in some place you said, is justice and humanity. That is what you said. And I would like to know—

Mr. Legge: That is what I said, yes.

Mr. Pilkey: Right. And I would like to know where the justice is, or the humanity either, in that kind of a situation?

Mr. Legge: But you have not given a situation—

Mr. Pilkey: Just a moment, let me finish.

Mr. Legge: No; but I want to finish, too. You have not given a situation in which it has been denied.

Mr. Pilkey: I have. We have got these cases where the fellow ends up on welfare. And if that is justice—

Mr. Legge: Because he is not 100 per cent disabled from his employment, Mr. Pilkey.

Mr. Pilkey: If he were 100 per cent disabled when he came out—and what you are really saying to us is that because of these other incidents—he is a veteran and part of it may be because of the war; he is an alcoholic; he was injured in an automobile accident, but he cannot return to work. He just cannot return to work, and that is—

Mr. Legge: From which cause?

Mr. Pilkey: He just cannot return to work. I do not care what caused it. He was working previous to that. He was working and making a decent standard of living, probably. But because of that industrial accident, he is now out of work. At some point in time, you say that his injury is only 25 per cent of what it was at the time he was injured, and that

he can now return to work; for light work, I might say.

Obviously you are saying he is not 100 per cent. Most employers, because of this competitive position that you were talking about initially, want a fellow 100 per cent. As you pointed out, there are something like 131,000 employers in this province, most of them very very small employers.

Mr. Legge: Right.

Mr. Pilkey: They do not have very many people.

Mr. Legge: Right.

Mr. Pilkey: So what they want on their job is a fellow who is 100 per cent. They do not want a fellow who has a 25 per cent disability. So he does not get any light work with that company. Nobody else is going to hire him. Now he can go through your rehab programme—I have heard all about that—but still these fellows could still be out. I would say that that is the injustice. It is not humane in any sense of the word that that fellow has to take a lower standard of living from what he had when he was working.

Mr. Legge: But life is like that. I am not defending this necessarily, but everybody who is in a serious motor accident, as Mr. De Monte, who is a lawyer, knows, is never as well off, because he picked up even a large settlement, as he was before the accident. No veteran who is 100 per cent disabled is anything like as fortunate as those of us who lived through it. The point is that you never adequately compensate for a physical loss, in my humble opinion.

Mr. Pilkey: Yes, but surely in an affluent province like Ontario, the most affluent in Canada, surely we can look after the injured who—

Mr. Legge: I hope so and that is what we are trying to do. You cannot have the benefits too high to suit me—or too long, as far as that goes—as long as it is within reason.

I do not want you to put me in the position of saying that I am against benefits in an affluent society, of course, but it is the age-old problem, Mr. Pilkey, which you know better than I, of the conflict between what society wants in rare cases and what society will pay for.

Mr. Pilkey: All right. All I am saying is that there were two sentences that were in your statement last year and I just want to

read them back to you. You said our staff know that men who are hurt must receive every benefit that a humane Act provides.

Mr. Legge: That is what I say.

Mr. Pilkey: A humane Act. They realize that their job is to ensure that individual rights are fully protected and that the needs of the injured are fully served.

Mr. Legge: Right.

Mr. Pilkey: Are you suggesting to me, sitting there, that a fellow who is put on a 25 per cent compensation benefit, who has to go on welfare, that this then is a humane Act and that that individual's needs are fully served?

I want to know who would agree with that? Who suffers those inhuman indignities of finding himself on welfare here in the Province of Ontario as a result of an industrial accident in this province? I submit that it is inhuman and that his needs are not fully served.

Mr. Legge: You are confusing two things, Mr. Pilkey.

Mr. Pilkey: They may be confusing, but that is my position.

Mr. Legge: It is my position, too, that if that situation followed it would be a very harsh law indeed. But you are confusing two things and you are putting me in a very bad position by setting up straw men that are very difficult to oppose. I am not opposing them and you know that I am not opposing them, which is more important.

The fact of the matter is that there is a permanent disability and there is a temporary, partial disability, and the law requires in this legislation that the workman receives his compensation in accordance with the extent of his disability. That pertains to both, and, as Mr. Azzarello narrated today, when you have a disability that gets better, the compensation is reduced until the point where it is stabilized, at which time a permanent disability pension is paid for life, whether you get a job that pays you twice what you got before, or half what you got before, so it has all to do with this concept of loss resulting from physical disability.

You have put in extraneous things with which I sympathize every bit as much as you do, but the fact is that the law of compensation, just like the law of loss on the highways, deals with the physical loss that the

man suffered, either because of his accident on the highway or his accident and injury, and it is a very difficult thing to apportion.

**Mr. Pilkey:** Okay, you are concerned and I am concerned.

**Mr. Legge:** Terribly.

**Mr. Pilkey:** But I just get totally irrational about this goddamned thing, I think it is incredible, just incredible.

**Mr. Legge:** I did not think that you were totally irrational.

**Mr. Pilkey:** I am on this point, because—

**Mr. Gilbertson:** Shame on you.

**Mr. Pilkey:** Right. I just feel that strongly about it. I want to just ask one more question then I will let somebody else have the floor.

I asked the minister this question, I believe, during the estimates on Labour as it relates to the two bills that are in front of us, Bills 53 and 54, which I think may have some bearing on the privative clauses that now in The Labour Relations Act and The Workmen's Compensation Act.

I just want to urge on the minister that he make sure that the privative clauses under The Workmen's Compensation Act are not disturbed in any way. We just cannot afford to have every case reviewed in the courts. I think that it will completely eradicate a lot of the benefits that now accrue to us in the Province of Ontario under this present Act.

**Mr. D. F. Hamilton** (Workmen's Compensation Board): Because we now give justice at the board?

**Mr. Pilkey:** I am not saying anything against the board. I think the board's greatest difficulty is the Act itself and that is their difficulty. They are administering a totally inadequate Act and that has to be changed.

**Hon. G. Carton** (Minister of Labour): Finest legislation in the world.

**Mr. Pilkey:** I want to tell you when we come to power that will be one of our top priorities. That Act will be changed so that it is humane and there will be justice.

**Mr. Gilbertson:** Oh, it will take too long.

**Mr. J. B. Trotter** (Parkdale): This is an election year.

**Mr. Pilkey:** The member for Algoma will not be around to see it anyway, he will be back on the farm.

Interjections by hon. members.

**Mr. Chairman:** Order, please!

**Mr. Pilkey:** But I want to know what the minister's position is in relation to that bill as it relates to the privative clause.

**Hon. Mr. Carton:** You, the board, and I, all agree that in no way should these bills affect it and I told you that I would speak to the Attorney General. I have an appointment tomorrow morning.

**Mr. De Monte:** Will you give us an undertaking that the privative clauses will be retained?

**Hon. Mr. Carton:** That is my personal undertaking.

**Mr. De Monte:** It does not say that in the Act, Mr. Minister, and perhaps we are away from the—

**Mr. Martel:** The minister is going to change the Act.

**Mr. De Monte:** It does not say that in the amendment, pardon me, that the privative clause is going to be maintained in the board. I think that Act is quite a sweeping Act and that you should perhaps make sure that—

**Hon. Mr. Carton:** I gave that undertaking.

**Mr. De Monte:** Yes. I notice that the Act does not specifically exclude the board and in its all-encompassing provisions it might include the board. Perhaps you might make a submission to the minister responsible that the opinion of labour and most of the people in our society is that it should not apply to the Workmen's Compensation Board.

We all have complaints about the board. They are legitimate complaints that we feel in our hearts, but we know that we do not want to jam up the courts. We do not want to blunt the procedures of the board, whether we agree with them or not, by giving somebody the right to go to the courts. We have the New York experience—Mr. Legge knows all about that—and we certainly want to make sure that it remains within the purview of the board.

**Mr. Chairman:** Mr. Ferrier?



**Mr. W. Ferrier** (Cochrane South): Thank you, Mr. Chairman. I have four or five fairly small items that I would like to deal with.

**Mr. Chairman:** Nothing controversial, I hope?

**Mr. Ferrier:** Oh, I would not know whether they would be or not. We will see.

I was pleased that the minister asked some questions this afternoon about that 25 per cent business and the answer that seemed to be given by Mr. MacDonald was that there would be great difficulties in being able to effect that change.

I hope that does not deter the minister in going ahead and coming up with an acceptable solution. Because, if I judge the mood of the members who have taken part in this debate, and, I would suspect, of most of the members of the House, they feel that this is a section of The Workmen's Compensation Act that is working a hardship against the injured workmen of this province. They feel that it should be changed and that the Workmen's Compensation Board themselves should not be put in the position of having to make some of these decisions, which I do not think they are very much more pleased with making than the workman is in accepting them. So I hope that you will pursue that with a good deal of thoroughness and come up with a solution for it.

A second problem that I want to get some information about is that the Workmen's Compensation Board, of course, places injured workmen in the major hospitals of the province, and uses the top specialists of the province. What fee schedule do you pay the doctors who carry out their treatments on the injured workmen of this province? Is it the full Ontario Medical Association fee schedule or is there a specially negotiated fee schedule? Just what is it? And do you pay the Ontario Hospital rates for the particular hospital that the injured workman is put in?

**Mr. Legge:** We negotiate annually with the Ontario Medical Association, and I would like Dr. Powell to say just how this is done and the exceptions that we bargain for.

**Ms. A. B. Powell** (Workmen's Compensation Board): We pay 100 per cent of the negotiated fee schedule, which follows pretty well that established by the Ontario Medical Association and accepted by government. We pay 100 per cent—not 90 per cent as OHSIP pays—because our work is largely dependent upon getting adequate and complete reports from

the physicians. This is how it is done. As for your other question about—

**Mr. De Monte:** There are deviations from it, though?

**Dr. Powell:** The deviations from it are largely a matter of one. We do not go along with supportive care; we do not pay for physicians dropping in to the patients and saying, "Hello, and how are you?" and that type of thing.

**Mr. Legge:** No, we do not do it at all.

**Dr. Powell:** We do not go along with that. We pay the specialist who does the job. If the family practitioner is interested enough and is looking after the patient's high blood pressure and diabetes, he will be paid for it, but not just to drop in and say hello, which is called supportive or convalescent type of care. We do not pay for that.

**Mr. De Monte:** What do you pay for a medical report, may I ask you?

**Dr. Powell:** We do not pay anything for a medical report. That is all-inclusive in the fee schedules. That is why we pay 100 per cent.

**Mr. De Monte:** If there is a laminectomy done, you pay for the laminectomy and any report that follows it or is previous to it you do not pay?

**Mr. Legge:** This is one of the reasons, Mr. De Monte, why it can be administered for 6.9 per cent.

**Mr. De Monte:** Well, you and I had a little argument about that, but I just wanted to establish that you do not pay for any medical reports.

**Mr. Legge:** None.

**Dr. Powell:** No.

**Mr. Ferrier:** The other question I had was about the hospitals. Is it the same rate as that of the Ontario Hospital Services Commission?

**Dr. Powell:** It is the same. It is exactly the same. And this is collected by the hospitals. In order the charge the per diem rate, this is administered by the Ontario Hospital Services Commission. They tax the hospital each year on what is the going per diem rate of hospitalization, and when we have compensation cases and DVA cases and other things, then it is up to the hospital to collect for those.

**Mr. E. R. Good** (Waterloo North): Through the man's—

**Dr. Powell:** And the hospital sends the bills to us as far as hospitalization is concerned.

**Mr. Ferrier:** You say that you more or less bargain for your particular fee schedule and arrangement of doing things. Now, is this with the Ontario Medical Association or does the doctor, in accepting compensation cases, accept the relationship or the fee schedule that you lay down, or do you formally arrange an agreement with the medical association, which speaks on behalf of the doctors of Ontario?

**Dr. Powell:** All the physicians and and surgeons in the province, I would say without question, accept what we do in paying the 100 per cent of the rate which is established by the OMA. We do not pay anything above it and we do not pay anything less.

**Mr. Legge:** And we do not pay for reports.

**Dr. Powell:** And the doctor cannot charge the patient anything over and above the going rate. In other words, the workman never has, and I hope never will, have to pay any part of his medical aid or his medical treatment.

**Mr. Ferrier:** Well, I am interested in this. Another question I would like to pursue is one I broached earlier, and perhaps we could get some information on it. It concerns a woman who was murdered in my riding while working at the Ontario legal aid office. While she was not the sole support of the family, she certainly was contributing to the upkeep, and there are two or three small children involved. They have never submitted a case to the Workmen's Compensation Board. They are pursuing a claim with the Law Compensation Board, but in terms of the extra expense involved in the father having to hire someone to look after the children while he must be at work and this kind of thing, I wonder if there is legislation in your Act to cover this kind of a thing, if a claim was submitted, or is it excluded entirely by your legislation?

**Mr. A. Azzarello** (Workmen's Compensation Board): Well, I do not have up-to-date information on the claim that you mentioned, but I do have some knowledge of the particular case. There was a claim submitted to our board and information went to the parties that, on the basis of dependency of the children on the earnings of the woman who was murdered, that there could possibly be a claim which we would take and pay, and that

if they wished to pursue the claim, the way to do that was to submit the necessary information as it related to that problem.

I do not know what has happened to it since that time. It was several months ago that the question came up, and at the time there were several other problems that the family was dealing with. Whether they ever pursued their claim with our board, I do not know, but if they wish to resurrect it and submit information, then we will consider it. There is a potential on the basis of dependency for some award to be made.

**Mr. Ferrier:** I think I will pursue that—

**Mr. De Monte:** She probably would be covered by the children.

**Mr. Azzarello:** From my knowledge of the claim, there was not a problem of whether or not she was in the course of her employment. I think that the ruling was that she was in the course of her employment at that time and unless some other facts have come forward, that situation still pertains. At this time the investigation into the murder was still on-going.

**Mr. Ferrier:** I understand it is not resolved yet.

**Mr. Legge:** No, and of course we cannot commit ourselves, Mr. Ferrier, until we have all the information. You understand that.

**Mr. Ferrier:** I think what I will do is that I will speak to the gentleman concerned and let his solicitor pursue it further with you.

Another question that I am curious about. When a man reaches the stage that he is rated for his pension and his pension is set up, is the amount that is funded in his pension taken out of the annual assessment that is made against the particular company? Or is there a lump sum assessment made against the company for that particular pension?

You know, if you go to get a commutation of, say, there is \$10,000 in this man's account at a particular time. Now, is this \$10,000— or \$15,000 when it was set up levied against the company as an extra expense, or is it part of the regular assessment?

**Mr. A. G. MacDonald:** As was indicated yesterday, I believe, in answer to a question, pensions of less than 10 per cent are always commuted and paid in a lump sum. In that case they are charged against the employer's account and the workman concerned receives a lump sum payment.



In the case of pensions over 10 per cent, they are likewise capitalized and charged against the employer's account as a lump sum, but in this instance they are transferred to our pension fund and monthly payments are paid for life from that fund.

Now, you talked about assessment. The assessment is the other side of the transaction. There is an assessment in an accident cost and they are two separate accounts.

**Mr. Ferrier:** So that the employer has to pay an extra amount for the—

**Mr. A. G. MacDonald:** No.

**Mr. Ferrier:** —for the pension.

**Mr. A. G. MacDonald:** If he is in schedule 1, which is the collective liability section of the Act, there is no effect individually on his assessment at all.

**Mr. Ferrier:** I see. That is interesting. I have one final problem that I want to raise. It is the whole problem of safety information and information as to the requirements of the Act and how the board operates and so on.

You have used TV and I think you are using radio and newspapers. I know there was concern expressed by the television station in my riding because there was such a drop in the amount from last year to this. I spoke to Mr. Draper about this earlier—I think there was a drop from about \$16,000 to a little over \$2,000.

He mentioned that it had been set up on the basis of a computerized system whereas one part of the province was covered more—well, it was on a more or less systematic basis throughout the province. I thought it was quite a significant drop and Mr. Draper suggested that we pursue it further with the personnel of the television station and with him, if we wished. I have heard no more from the manager of the television station.

I thought it was quite a significant drop, but in terms of getting a couple of things across to the people—information about the board and information about safety—beyond your advertising programmes, I know that you have administrative assistants, and so on, who go to the various areas of the province to discuss with labour councils, and so on, about the operation of the Act. Is this left entirely to the initiative of the trade union movements and the various safety councils of the area, or does the board initiate some requests for speaking engagements?

I know in my own particular section of the province there are a great many misconceptions and misunderstandings about the board. I know I have to do a real interpretative job with many people to explain to them what the Act is all about and how the board operates, and so on. There are often some pretty jaundiced opinions about the board and its operation.

I just wonder if there is a more effective way of communicating to the working people of this province what the board is all about and how it operates and some of the requirements of the Act, and this type of thing, to help set to rest a lot of the misconceptions and some of the bad reactions that people have which I do not think are really necessary if they could be headed off.

**Mr. Legge:** That is a very helpful approach to the problem. The board is really tireless in going to speak to various groups, all kinds of groups, manufacturers' groups, labourers' groups, safety groups, social clubs, service clubs, anything you like and the board both sets up programmes for this sort of thing and responds to invitation.

One of the leading things that we do annually is to have a two-day seminar for the Ontario Federation of Labour which gets five, six, or seven hundred people who are interested in safety in the unions, to come in to the board and this sort of thing. I agree that we could do more, but you have to balance.

It is just like the desire to do better for disabled workmen: you have to balance your resources against the desired end and we do not have unlimited people nor do we have unlimited money for this sort of thing, but we are always applying the criterion of value for both money in the time and money spent.

I would like to have any suggestion you have for speaking groups. We speak to groups of lawyers, groups of doctors, all kinds of people all the time, and we do visits to communities.

**Mr. Ferrier:** I am just wondering if maybe I myself should take a little initiative and try to set up a meeting or two to bring someone in—

**Mr. Legge:** We would be glad to have your proposals.

**Mr. Ferrier:** —so that more of the board's operation could be explained.

I know about a year ago one of the safety associations in the mines brought Dr. Cowle,



I think his name is, in The Department of Health, and he explained a good deal about silicosis and how it develops, and that was an excellent presentation. Part of the problem was that there were not nearly enough of the underground miners who probably contract this particular industrial condition; it was more the foremen and management. I think that the whole message would have had, or still could have, a lot of effect if it were carried out for a group of miners and their wives.

This is maybe something that I should be trying to set up in conjunction with the union and to provide the opportunity for the discussion of these problems.

**Mr. Legge:** We will certainly try to comply with any of your invitations. Do you want to amplify what I said, Mr. Kerr?

**Mr. W. R. Kerr** (Workmen's Compensation Board): If I may, Mr. Chairman, You have hit on something that is rather important to me because this is one of my areas of concern now at the board. We do have quite an extensive speaking programme, and as I sat listening to you the thought went through my mind that I think we probably make more speeches and give more talks to unions than to any other groups. I do not have any figures with me but there is a tremendous amount of work that goes on in that area, and we have found in recent years we do not have to drum up the business, that lots of requests come in from local unions.

The chairman mentioned the two-day seminar for the Ontario Federation of Labour. We are quite pleased to engage in that kind of thing because we feel, as demonstrated today, that the more that is known about what we do and why we do it, it is better for everyone concerned, and it makes our job easier. An interesting thing about Timmins is that a good number of years ago the first mine-sponsored seminar about compensation was sponsored by the Timmins camp—not the Sudbury camp but the Timmins camp—and we are well aware of this and we welcome invitations.

We have had speakers go out to Rotary Clubs, and Kiwanis Clubs and service clubs. Various employer groups have sponsored seminars throughout Ontario, not confined to any one area, and, as the chairman says, we welcome ideas and opportunities to talk to groups. We support you.

**Mr. Ferrier:** I am going to do some work in my riding and try to fix up something like

this. I suspect that this is maybe more valuable than even your advertising programmes.

**Mr. Legge:** We maintain, Mr. Ferrier, that you have to have both; that the one does not not supplant the other but that they are parallel activities.

**Mr. W. R. Kerr:** Mr. Chairman, I do not wish to prolong this but you are quite right, I did not dwell upon any other aspect of our information programme but we do have a complete information programme. We have films that help explain either the overall picture of the board or certain services we provide, such as rehabilitation. On top of that, we have various pamphlets and literature which we hand out at these seminars and many thousands of pamphlets are handed out throughout the province, so that we are quite equipped to put on and co-operate with people in these information sessions, and we welcome it.

**Mr. Ferrier:** Then, just as far as the advertising in our own particular area is concerned, I do not know whether there is anything that can be done this year. But it seems a pretty drastic drop, and I hope maybe next year at least there could be a little better balance—to go from nearly a \$16,000 budget to about \$2,000 is a real—

**Mr. Legge:** We will have a very careful look at that, Mr. Ferrier. The only thing I can tell you is the criterion, which is value for money based on the audience and the exposure and all the things that the whiz kids in the advertising world dream up, and we are in their hands.

**Mr. Ferrier:** Thank you very much.

**Mr. Chairman:** Mr. Gilbertson.

**Mr. Gilbertson:** Yes, Mr. Chairman, I have been sitting here quietly and listening patiently, but I have been doing a lot of thinking. One thing is that if the industry spends as much time and wastes as much time as we are doing here in these estimates, they would all be out of business. You would not have to worry about compensation or anything else.

**Mr. Pilkey:** The syrup would not even run out of the maple trees.

**Mr. Gilbertson:** That is right. As an old logger, you know, and then lumbering—

**Mr. Pilkey:** An old what?

**Mr. Gilbertson:** Logger—you know they call them loggers. I think perhaps there is surely one branch of the compensation board here tonight that is interested in that branch of the industry: logging, lumbering, the pulp and paper industry. I think they are all under one, are they not?

**Mr. Chairman:** Yes, they are, sir.

**Mr. Gilbertson:** I remember here several years ago when logging was by itself as far as assessment was concerned, and the rate was 14.5 cents on the dollar.

**Mr. Chairman:** I think you have it wrong, Mr. Gilbertson. The classification was divided into more than one group.

**Mr. Gilbertson:** Yes, well what I mean, the logging—

**Mr. Chairman:** They are now put together.

**Mr. Gilbertson:** Yes, I know, because I had something to do with this. If you fellows remember Mr. Sparrow, who came up in our area, we put the pressure on at that time in that particular area that this thing should be grouped. For the simple reason that, of course, there were these big companies at the lumbering end of it saying that the rate was so high for logging, and the simple reason is that it is a more hazardous occupation. And yet the saw mills need the logs, the paper industry needs the pulpwood, so finally, with the pressure—

**Mr. Martel:** Mr. Chairman—

**Mr. Gilbertson:** —that was put on—

**Mr. Chairman:** He is no more irrelevant than you were earlier, sir.

**Mr. Gilbertson:** There was enough pressure put on that time that the government and the compensation board could see that it was feasible and the logical thing to do, to group these together and that cut it down to about I think about six per cent. Can one of you gentlemen here tell us what it is today?

**Mr. Chairman:** Mr. MacDonald can answer that, because I believe he was the fellow who found the formula of "a tree is a tree no matter how it was logged and what it was used for."

**Mr. A. G. MacDonald:** I may say I was not very popular in certain quarters of the province at that time.

**Mr. Good:** No, you did not get through to the kids pruning Christmas trees.

**Mr. A. G. MacDonald:** Actually, the fact was at that time there was a \$14.00 rate for saw logging and a \$4 rate, as I recall it, for pulp logging—that is for people who were not doing it as part of a pulp mill operation—and a \$2 rate for the pulp mills. They were combined initially at \$5.25, and the rate is now up to \$6.

One of the things the board also did at that time was to put an experience rating plan in on a compulsory basis at a 50 per cent deviation, which meant then that each employer within the various segments of the industry would have his experience reflected in the rate he paid. And I think it worked out rather well. The grumbling has ceased.

**Mr. Gilbertson:** The grumbling has ceased?

**Mr. A. G. MacDonald:** Yes.

**Mr. Gilbertson:** There is another question I would like to bring up. I am perhaps a little more ignorant than the rest of these sophisticated gentlemen from down south, but nevertheless you have to have some people like myself up in the north.

**Mr. R. F. Ruston (Essex-Kent):** It is the other way around.

**Mr. Pilkey:** Do not ever downgrade yourself.

**Mr. Gilbertson:** All right. Thank you, gentlemen. I am glad that you all feel that way about it.

I have been listening with great interest to the hon. member for Sudbury East who was hammering away about the benefits not being good enough. If we stopped to think, if we make the benefits so that the person does not care when he goes on the job whether he gets hurt or not—

Interjections by hon. members.

**Mr. Gilbertson:** —because he is going to be taken care of anyway—

**Mr. J. E. Stokes (Thunder Bay):** Do you buy insurance on your house and hope it will burn down?

**Mr. Martel:** That is not for real.

**Mr. Pilkey:** That is only part of it. Go ahead, I want to hear the end of it.

**Mr. Gilbertson:** You just did.

**Mr. Pilkey:** That is only part of it. Go ahead. Do not let them interrupt you.

**Mr. Gilbertson:** But that is true; you know what I mean. We all have to put up with some hazards in life, whether we are in a car accident or whatever it is—

**Mr. Chairman:** Or being chairman of a committee like this.

**Mr. Gilbertson:** —and if we get hurt, we are not going to come out and expect that money is going to compensate us for our accident.

**Mr. De Monte:** Why not? How else are you going to compensate somebody?

**Mr. Gilbertson:** All right. If you get a broken leg and you have a limp the rest of your life—

**Mr. Pilkey:** Some guys do it on purpose.

**Mr. Gilbertson:** —dollars and cents are not going to compensate for that. I do not care how much money you get.

**Mr. De Monte:** Why should it not?

**Mr. Gilbertson:** Well, it does not do it.

**Mr. De Monte:** But why should it not?

**Mr. Pilkey:** It salves the wound.

**Mr. Gilbertson:** I have talked to people who have had accidents like that. We have had it right in our own family. You are never going to get it. It sounds pretty nice, but you are never going to get it to the place where a person can say, "I had an accident and I am paid off. I do not have to worry any more." I think that sometimes the benefits for accident cases—you are not going to get them 100 per cent.

**Mr. Pilkey:** Do you think they are too high now?

**Mr. Gilbertson:** No, I am not saying that they are too high, maybe they are just right now. And another thing: I have never, in all my time as an employer—not a very big one; I employ, say, a dozen men or so—had any trouble to speak of with the compensation board as far as his getting looked after and the guy has to claim—

**Mr. De Monte:** The problem is you hire healthy employees.

**Mr. Gilbertson:** If it is done properly, the way that the compensation instructs you to do when a person gets hurt; the first thing you do is you get him a doctor and the doctor has to get a report in. And the employer has

to send them a report. I have found that sometimes they will have a cheque back within a couple of days to the employee.

**Mr. De Monte:** For \$5—

**Mr. Gilbertson:** No, no.

**An hon. member:** You have been remarkably lucky then.

**Mr. Gilbertson:** And over the years we have had people get hurt from time to time. I hope our accident record is not too bad. I am not saying this because I am on the government side of the House or anything—

**Mr. Martel:** We know you would not.

**Mr. Gilbertson:** I can only say that the compensation board has been fair with any cases that we have had, or with anybody that I have interceded on their behalf with the compensation board. I cannot say that they have been unfair.

**Mr. Ferrier:** We have not said the board was not fair. We said the Act needs a lot of amendments.

**Mr. Gilbertson:** But there have been indications here that—

Interjections by hon. members.

**Mr. Chairman:** Order please.

**Mr. Gilbertson:** There has been an awful lot of nitpicking at the Workmen's Compensation Board. Little insignificant things that should not even be—

**Mr. De Monte:** Ten per cent of 75 per cent of \$2,000 is not very much money if a man cannot work.

**Mr. R. Haggerty (Welland South):** That is one vertebra.

**Mr. Chairman:** Are you through, Mr. Gilbertson?

**Mr. Gilbertson:** I would like to ask another question and then I am through, because I do not want to waste a lot of time here. What are the percentages of benefits now? The full benefits?

**Mr. De Monte:** You can read it in the Act.

**Mr. Azzarello:** For a total disability the benefit is 75 per cent of earnings up to a maximum of \$7,000 a year.

**Mr. Gilbertson:** Thank you.



**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Mr. Chairman, thank you. Just a couple of questions I want to ask the board chairman. Are employees at golf clubs or golf courses covered by the Workmen's Compensation Board?

**Mr. Legge:** No, sir.

**Mr. Haggerty:** Why are they not? Here is perhaps one of the biggest employee groups in the Province of Ontario, with the number of golf courses that are being built, who work with mechanical equipment, and have the chance of getting hit by some duffer out on the golf course or something like this. I think the risk is just as high in that type of industry as in the farming industry.

Now I know they come under, I believe it is, the Agricultural Act or something like that, and they are not covered by workmen's compensation. I know a particular case in my area where a chap was injured at a golf course and fortunately had some insurance. But it left a permanent injury and he had no recourse to any compensation whatsoever.

**Mr. A. G. MacDonald:** In the initial Act, most of the service industries were excluded. Gradually over the years the larger ones have been included. The business of operating retail businesses, farming—there are still a number of professions that are not covered. Banking is not covered. Real estate is not covered. The business of a doctor or a lawyer is not covered.

I suppose you could give a rationale for the continuing exclusions in terms of whether or not there is hazard, but I think the opposite side of the coin is there has been very little pressure from any of the people in those industries to have them brought under the Act. We have an anomaly, for example, in that a retail store is covered but a beauty parlour is not covered, or a barbershop is not covered. Certain jurisdictions have moved toward universal coverage, but there really has not been any pressure in Ontario for that to happen.

**Mr. De Monte:** Do you think there should be universal coverage, Mr. Chairman, because of their rate in direct relation to their accident incidence? And it would not be unfair would it, Mr. Chairman? I thought that was a qualitative question.

**Mr. Legge:** May I start with an example? When I did the royal commission for the Northwest Territories and the Yukon for the

federal government, we took the approach for that very small jurisdiction that we would do it by saying "All workmen are covered except"—and then they put in one or two people who obviously had to be excluded. But I am not too sure, for example, Mr. De Monte, that you would want to be covered as a lawyer, because there are disadvantages to being covered if you are a highly paid person, such as a lawyer like you in private practice is.

**Mr. Ruston:** That is for sure.

Interjections by hon. members.

**Mr. De Monte:** I was looking at it purely from the point of view of universal coverage that could perhaps compensate another realm that has a high accident rate.

**Hon. Mr. Carton:** The rates would be so low it would not be that worthwhile.

**Mr. De Monte:** Possibly. Well, merely from the point of view—

**Mr. Legge:** It is all actuarially styled according to the hazards in the group of industries that are in that class. As Mr. MacDonald has rightly said, the matter is an historical one. You can go either way. You can say that everyone should be covered with certain exclusions, like lawyers for example, or you can build it up brick by brick the way this one has been. The last major group brought in in my time were the farmers and I think substantially, Mr. MacDonald, all people in hazardous, routine work are covered.

**Mr. A. G. MacDonald:** There are no industries left uncovered where there are real hazards, high hazards.

**Mr. Haggerty:** Would you not classify a golf course, I mean employees of a golf course as being in a hazardous occupation, because of the mechanical equipment that is there? The picks and shovels—you name it, they are there. I have known cases where men have lost their fingers, but they are not covered by the Act so there is no recourse to anything then.

**Mr. A. G. MacDonald:** Mr. Haggerty, we provide application coverage to any one of these industries if they ask for it. We never turn down an application. And there are quite a number—in fact I suspect the major and the larger golf courses are already covered—but the industries are covered by application.

**Mr. De Monte:** How would they be covered on a special schedule 1 and schedule 2?

**Mr. A. G. MacDonald:** They are part of collective liability in schedule 1 but in class 223, which is our application class.

**Mr. Haggerty:** The other questions, Mr. Chairman: Why are the persons working through, for instance, surveyors and employees hired by surveyors in the province—why is their rate so high? There is not so much of a hazard there, why is their rate so high?

**Mr. A. G. MacDonald:** Mr. Haggerty, I am sure that is the result of a question from a constituent who has been writing us on several occasions. I wrote to him not long ago and gave him the experience of that section of the industry and believe me the experience has been such that the rate is justified.

**Mr. Haggerty:** It is general? I thought he said it was higher than in industry.

**Mr. A. G. MacDonald:** No, the rate for surveyors. I do not have the rate book right here. I think it is around \$1 or so.

**Mr. Haggerty:** I thought it was higher than that.

**Mr. A. G. MacDonald:** Regardless of what it is I am telling you we have just checked out the experiences to land surveyors within the last three weeks, and we have sent information to the individual concerned pointing out the reasons of that rate.

**Mr. De Monte:** And it is because of a high accident ratio?

**Mr. A. G. MacDonald:** In the industry, not in the—the employer himself may have an excellent, in fact, I am sure he may have an excellent experience himself.

**Mr. De Monte:** I appreciate that, I did not know that.

**Mr. Chairman:** Things of this nature are a very hazardous sort of occupation.

**Mr. Haggerty:** Yes, I would not want to be out on the road, I can tell you that.

**Mr. Chairman:** Are you through, Mr. Haggerty?

**Mr. Haggerty:** No, I have one more problem here. I was before the board here about a month ago and it dealt with a chap who had a back injury and the final stage of appeal was that he was examined by Dr. Tyndel and I guess it was a psycho-neurotic

problem. I will just read you this portion that the psycho-neurotic problem was in all likelihood triggered off but not directly caused by the work incident, and this is the letter from the board:

The board having reviewed all the evidence submitted accepted the facts that Mr. So-and-So's disability had been as a result of his psycho-neurotic problem and directs that he shall receive an additional 10 per cent, and his PPD advanced to 25 per cent.

He received a sum dated back, I believe, to a year ago last July or August, and this accident happened in 1961 and the same problem that exists today, existed back, say, after the accident. I was just wondering why the board did not assess that final appeal back to 1961 or 1962?

**Mr. Legge:** I could never tell you on the basis of what you have said, Mr. Haggerty. I assume and I think the medical evidence did not indicate that.

**Mr. Haggerty:** He was examined by this doctor. I believe the examination lasted about 35 minutes. It seems a rather quick assessment.

**Mr. Legge:** Dr. Tyndel is one of the leading—is he not?

**Dr. Power:** I am sorry I do not know. Examined by whom?

**Mr. Haggerty:** Dr. Tyndel.

**Dr. Powell:** The doctor does not give the permanent disability, the attending doctor does not give the permanent disability rating. There is not a Dr. Tyndel on our staff.

**Mr. Haggerty:** There is not?

**Dr. Powell:** No.

**Mr. Haggerty:** Well, he was directed by Dr. H. F. Richardson, chief, medical department, and he arranged the meeting.

**Dr. Powell:** With a private psychiatrist.

**Mr. Haggerty:** Yes.

**Dr. Powell:** I would have to have a few more details of what it was about, and see the report.

**Mr. Haggerty:** I thought when he made an assessment there in 35 minutes he must have made an awfully quick assessment of the person, I tell you, when the condition existed after the accident for some 10 years.

**Dr. Powell:** I would agree that 35 minutes in a psychiatric examination is rather cursory, but as I say I do not know.

**Hon. Mr. Carton:** Do you have the case number?

**Mr. Haggerty:** I can give it to you later on.

**Mr. Chairman:** Have you any more questions, Mr. Haggerty?

**Mr. Haggerty:** No, I want to say the times I have been before the board I have been received well by the board and sometimes I have been successful and other times I have not, but that is the way the ball bounces, I guess.

**Mr. Chairman:** Mr. Good.

**Mr. Good:** Yes, Mr. Chairman, I have just two matters. Most of them I have jotted down here have been answered during the course of the conversation with the other members.

I would like to finalize or pursue the thought that we were talking about this afternoon with Dr. Powell and that is the person who had the low back permanent injury, who sits around for the best part of a year on light duty. I just want to rehearse this to get my final point on it, where psychological overlay develops and the person because worse and worse mentally, has tried a little bit of light work and cannot do it. Then comes the final report. The person has a psychiatric referral and all the rest, and the person is suffering from, I believe it is termed, a psychogenic magnification of injury. Maybe I have the wrong word—

**Hon. Mr. Carton:** Sounds good.

**Mr. Good:** —psychogenic magnification of the injury. In other words the person is not as sick as he thinks he is. But my view, the fact that he is trying to get along on a 35 or 50 per cent disability pension, cannot work, has tried this and tried that, and cannot stand it, is all building up to create a permanently disabled person, so at the end of a year or two years or three years there is a permanently disabled person.

Now the point is this, in my view, the disability is total, whether it be entirely from physical injury or partially from physical injury and partially from this psychological condition.

I rather regretted the phrases that were used to emphasize this, psychogenic magnification of injury, which in my view sort of

implied malingering and this sort of thing. Now I am wondering what the attitude is on this?

Do you not think that perhaps a better disposition of the thing might be that a person could—if this be a reality, which undoubtedly it is—a person might return to normal psychological condition if he or she were given a larger disability pension earlier along the line?

**Mr. Legge:** I think in some cases that certainly is a factor. Some of the leading psychiatrists tell us the worst thing you can do with a person with a psycho-neurotic overlay like the one you have described is to give him a pension.

What you should do is capitalize the pension that he will get and give him a lump sum in some cases. It is entirely a matter of medical evidence.

But I would like to reassure you, Mr. Good, there is no distinction between a psycho-neurotic disability and a physical one, the test is exactly the same and it has to be caused by the work incident. We do not distinguish the one from the other, but the evidence is much harder to get in cases to do with the mind, this is the problem.

**Mr. De Monte:** I had a case like that, Mr. Chairman, before the board about eight years ago.

**Mr. Legge:** That was before my time.

**Mr. De Monte:** We found the claimant had really not only a psychological overlay but it got to the point where it was neurosis and it was really affecting him, and the board in its wisdom decided that there could not be a connection—

**Mr. Chairman:** Gentlemen, I have now completed—

**Mr. Good:** Just a minute, Mr. Chairman, I am not finished.

**Mr. De Monte:** Since that time Mr. Chairman—

**Mr. Legge:** I think that—

**Mr. De Monte:** —I had one with caisson's disease that was not that serious and one with a back injury that on medical terms was not that serious. But there was an inability with both the medical evidence and the apparent evidence that they could not connect up. Is the board now more lenient in these things since the time that I appeared in these cases?



**Mr. Legge:** No; to quote Mr. Pilkey, the board is simply just and humane and the question is simply to do with the evidence. But I do think that you have put your finger on a problem, and, that is, that nowadays in recent years there are more people who are aware of this, more doctors with a knowledge of this sort of thing, and more psychiatrists who will take our patients. I think that just now it is easier than it may have been 10 years ago to get the kind of evidence that you are referring to. The other thing, of course, that you have to recall to be perfectly fair, Mr. De Monte, is that your man may not have had his neurosis because of his industrial accident.

**Mr. De Monte:** That, of course, is the whole crux of the argument, is it not, or the principle?

**Mr. Legge:** Exactly.

**Mr. De Monte:** I am wondering, Mr. Chairman, that perhaps the board is coming along in this whole field of workmen's compensation and the psychological overlay. It is not as rigid as the law is in its terms.

**Mr. Legge:** Not nearly, as you know, we are in the administrative law field.

**Mr. De Monte:** The point that I noticed, at that time, was that there was a rigidity that it was impossible to transcend and perhaps today there is a difference.

**Mr. Chairman:** Would you like to ask your other question, Mr. Good?

**Mr. Good:** Yes; my other question is one that I hesitated to bring up here, but having the minister and all the members of the board here, I think I should. It has to do with the matter of compensation on the farmers, which was brought in a few years ago, especially as it relates to two groups of old order, Amish Mennonite people in my riding.

The majority of the Amish Mennonite people in Ontario are in my riding. While there are about 15,000 Mennonites, there are just about 1,400 in the groups which, because of religious conviction, can have no part in insurance schemes. They accept neither old age pensions, youth allowance, baby bonus, Ontario Hospital insurance, or Medicare, or any of these schemes. Consequently, there has been great difficulty in getting the farming compensation payments from these people and the assessments due on them. The federal government had the same problem with the Canada Pension Plan. You probably

all read how their milk cheques were seized and what not to make payment.

I think that the simplest and quickest way to say what I want to say is that these people have for over 200 years looked after themselves without any form of insurance or provision. Their religious conviction does not permit it and, consequently, they have never been a burden on society in any way, shape or form from old people to hospitalization or anything. They pay their way as they go.

The problem now is that your department, because of legislation, must try to assess these people. They have accepted the fact that those that are engaged in industry, such as wagon making and welding and this sort of thing, are ready to pay compensation. The farmers who hire non-Mennonite and non-Amish people are ready to pay. Those who hire, other than their own sons and daughters, are willing to pay, but the problem arises where they have their own children working at home.

I know the Act specifies where there is no money paid they are not required to pay, but when they pay in kind, then they have to live with their conscience. If they do not pay their son and daughter when they are working at home, they can evade compensation because of that. When a person gets married they say, "Here is a team of horses"—because they still farm by horse, and not by tractor—"and a couple of cows in compensation." It is a great concern to them. I know some of them have been assessed and I think payments are going to be deducted, from the correspondence I have seen, in one manner or another that is available to the department to do it. I just simply ask—it is a delicate situation—to do whatever you can, as a new minister, to—well, I cannot just say to exempt them—

**Hon. Mr. Carton:** Is this the group that will not wear the hard hats?

**Mr. Good:** This is the group. I had four of them down the other week to see the Minister of Education (Mr. Welch). Maybe you saw them. They wear the round black hats and the beards.

**Hon. Mr. Carton:** No; I mean they will not wear the hard helmets in safety and construction?

**Mr. Good:** There would be very few occasions, other than barn raising, involved in farm work.

**Mr. Legge:** This is a very difficult problem, Mr. Good, because it concerns matters of conscience. We have all sorts of problems about matters of conscience in the treating of Jehovah's Witnesses, for example, where blood must not be let. If your pleas for an exemption were brought in, in my opinion, it would require a legislative exemption.

I am personally very sensitive and agreeable to people of conscience avoiding military service, not having surgery, not having to pay their compensation assessments, and their Canada Pension Plan which the federal government had to impose. We deferred trying to collect until the federal government did, which is a matter, I guess, now of some five years that this matter is before us, but still the law is the law. Now that is the principle.

May I ask Mr. MacDonald to say exactly the painstaking, and I think very generous, way in which we have approached this, but we do not have legislative sanction for exemption.

**Mr. A. G. MacDonald:** Mr. Good, as the chairman has indicated we have deferred taking any serious action about collecting assessments from this group for some five years now. During that time there has been progress made, as you have just suggested.

In the early stages they were taking the position that they would not report any of their activities. They have now softened their position, as you have said. If they hire somebody outside the family—and certainly they have always paid, and this is for 50 years, for the employment of people in other industries, in some cases industries directly related to farming, as you have mentioned, the making of wagons, et cetera.

We have not yet taken the kind of legal action against them to force collection that would be difficult for them. We have on a few occasions added their names to a tax roll and, coming back to the business of employment of their own family, where there is not payment, we are not going to be rigid about insisting on collecting that.

You mentioned you have a case where you think that has happened. I would like to know about it.

**Mr. Good:** Some have received letters, but the thing is that certification, as I understand it, is very loose. Can a son work for his father until he is 21 without—

**Mr. A. G. MacDonald:** If he is not paid a stated wage—that is the phrase in the Act—

then there is no way that we are going to collect assessment on it.

**Mr. Chairman:** Mr. Martel.

**Mr. Martel:** I just have one question.

I have a man to whom the doctors periodically give a shot of cortisone to relieve the pain he is having. There is nothing in the needle; the man does not really receive cortisone, the overlay is that bad. What section would the board take in such a case?

**Mr. Legge:** In what regard, Mr. Martel?

**Mr. Martel:** Just as soon as he gets the needle the man's pain disappears for a month and then he comes back. Your Dr. White in the board hospital has given him a shot and the pain disappears. At the end of a month the pain comes back, you know. Can anything be done to assist a man like this?

**Mr. Legge:** I am sure Dr. Powell, who is one of Canada's leading surgeons, can tell you.

**Dr. Powell:** I do not follow this line—giving a needle without anything in it. If you want to give a placebo you can give normal saline or something else. That is done on occasion.

**Mr. Martel:** I guess that is what he means.

**Dr. Powell:** And cortisone is used and novocaine, or a local anaesthetic can be given, but these are part of a pain study that was done to determine the extent of pain, which we call psychogenic regional pain, whether it is a true pain or whether it is a pain associated with some neurotic tendency.

**Mr. Martel:** The point I am making, though, is that there might be something in there, but I am told it has no medicinal effect. It is not there to kill the pain; it is all in the man's head. And through the very fact that he gets the needle, the pain is relieved.

**Dr. Powell:** Well, this is what they call the placebo. There is some therapeutic value, but I must say it is not used very often. I would like to know the circumstances under which it is used, and I certainly hope in practice that doctors are not getting paid for giving nothing.

Interjections by hon. members.

**Mr. Martel:** But can anything be done other than that? That is all I want to know. Will



the occasional need for that sort of supposed shot disappear in time or will the man always be hampered with that?

**Dr. Powell:** I do not think so. When you get the man's confidence—and, when he is at the centre, for example, we observe him at work and there is a liaison between the patient and the doctor and he is gained into his confidence and his reassurance—very often a lot of these things go away after awhile with explanation. There may be some fundamental reason why the man wants to perpetuate his pain. We all have different personalities; we all react differently to pain. We all react differently to beauty, for example. If we did not, our wives would all look the same. So, you cannot define pain—pain and disability are not synonymous.

This is a big problem we have, and half of our back cases have psychogenic or functional overlays, whatever you want to call it, until it is axiomatic that when we tell the man that he has a better benefit of getting back to work, that he has a better effective living than he has out of any other benefits that he might get, then that is part of the treatment.

**Mr. Chairman:** Mr. Bolton.

**Mr. K. C. Bolton (Middlesex South):** Yes, Mr. Chairman, I am sure this question can be very briefly answered and it indicates my ignorance in asking it. I understand the workmen's compensation is mandatory in certain cases. When you were asked that question about golf course employees, you referred to the application basis. What is the principle involved here? Who makes the application? Under what conditions is workmen's compensation mandatory and when is it optional?

**Mr. A. G. MacDonald:** There are two schedules spelled out in the Act. Schedule 1 names all those industries that are compulsorily covered and where there is collective liability. There is also a schedule 2 section, which consists of certain employers who are self-insurers, again defined in the Act itself; these include the municipalities, Bell Canada, Hydro, the provincial and federal governments—mainly that type of organization. The railways are in there as well.

There are certain industries which are also named as excluded in the Act; these include the type I was just mentioning, but in every instance we will give them application coverage and put them in schedule 1 in the collective liability part of the Act. So, there is nobody who cannot be covered.

**Mr. Bolton:** My question is who makes the application? A man goes on to the golf course, and the employer may have decided not to give him any sort of protection. Now does the employee make application or the employer?

**Mr. A. G. MacDonald:** The Act does not provide for the employee to make application in those industries which are named as excluded.

**Mr. Bolton:** But surely the intention of workmen's compensation is to protect workers wherever they work, is it not?

**Mr. Pilkey:** They are all covered, either in 1 or 2, are they not? Are there exclusions outside of 1 and 2?

**Mr. A. G. MacDonald:** Yes, there are.

**Hon. Mr. Carton:** We just had them.

**Mr. Legge:** Lawyers, doctors, funeral directors.

**Mr. Bolton:** If there are, my point is why are there any, what is the philosophy behind it? Why are some workers not guaranteed protection?

**Mr. De Monte:** There is a point here. Employees can apply, can they not, if they are not covered? I had an employee who applied to be covered. He was a driving school instructor.

**Mr. A. G. MacDonald:** You are thinking of an independent operator. A man who is self-employed and who does not employ anyone can cover himself by application as an independent operator; that is what you are thinking of.

**Mr. De Monte:** That is right. That is exactly it. I am sorry I did not distinguish that.

**Mr. A. G. MacDonald:** Well, I think the chairman dealt with this point rather well earlier, when he said this whole thing is historical; over the years most of the service industries have been brought under as the need seemed to arise, and there has not been any pressure at all for the coverage of the professions and the odd exception we have.

**Mr. Bolton:** I think we ought to think of beginning the pressure then, because when a man works on a farm, he is exposed to certain health hazards, and he is covered; but



he might go to the golf course and use almost the same machine and not be covered.

Mr. Pilkey: What about golf courses today?

Mr. Legge: Precisely.

Mr. Bolton: So I think pressure should be started.

Mr. Chairman: Members of the committee, I would like to thank the Workmen's Compensation Board and the people they have had here on your behalf. Certainly it has been an in-depth examination, and I believe that all the questions that the members had that were relevant have been asked. Some that I considered at times interjections—

Mr. De Monte: They were important, Mr. Chairman.

Mr. Chairman: Well—

Hon. Mr. Carton: Do not be self-conscious.

Mr. Chairman: —and I do want to say, sir, that we appreciate you and your staff being here and doing the good job they did. Thank you very much.

This committee is adjourned and we will report to the House tomorrow on the proceedings.

The committee adjourned at 9:45 o'clock, p.m.

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## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Transportation  
and Communications

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Monday, June 21, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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1971





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## LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JUNE 21, 1971

The committee met at 3.45 o'clock, p.m., in committee room No. 1; Mr. Hamilton in the chair.

ESTIMATES, DEPARTMENT OF  
TRANSPORTATION AND  
COMMUNICATIONS

**Mr. Chairman:** The estimates of The Department of Transportation and Communications, vote 2301.

**Mr. E. W. Martel (Sudbury East):** Well, there might be opening statements, Mr. Chairman, I am not sure.

**Mr. Chairman:** Mr. Gaunt, are you going to lead off, by chance, with an opening statement?

**Mr. M. Gaunt (Huron-Bruce):** I might have a few words to say, Mr. Chairman. I gather we are going to take The Department of Transport first?

**Mr. Chairman:** That is the plan; to deal with the Department of Transport and then revert to The Department of Highways under the previous system of departments.

**Mr. Gaunt:** I see. I do not have to many remarks, Mr. Chairman, but I more or less took the approach that I would give an opening statement and this would include the departments of Transport and Highways, because there are some overlapping items that I want to talk about. Would that meet with your concurrence?

**Hon. C. S. MacNaughton (Minister of Transportation and Communications):** Mr. Chairman, I think we have to deal with them separately. It is up to the committee to decide, I would believe, but the estimates were printed some time ago, at the time of the budget. They were printed in terms of the two departments as they existed; so that to deal with them properly, I suppose we have to deal with them in separate form.

**Mr. Chairman:** Possibly we could have an opening statement that might combine the

two departments, as you might have conceived them, or as they are at the present time, Mr. Gaunt; and we will then divide it into the two estimates as we go through.

**Mr. Gaunt:** Thank you, Mr. Chairman. I just wanted to say at the outset that it is a pleasure to engage my political neighbour for the first time in discussion in these estimates. We both come from a very beautiful part of the country, and while we both agree on most things, on matters of substance, such as politics, we do separate from time to time.

Nonetheless, I understand for the purposes of these estimates, Mr. Chairman, I may be making a few remarks that would have to do with Transport and a few that would have to do with Highways; but I am not going to be long in any case. I have a substantial amount of material that should more appropriately be considered under the individual votes, and so I just want to make a few brief remarks.

Transportation is the mobility of man and his goods, and so I want to make a few comments from the philosophical point of view with respect to the department. The province that moves now to put new transportation technology to work will go a long way toward securing its future social and economic growth. We must be led to wise planning and the use of new technologies.

Transportation is one of the supporting services of our society, like education, housing, police protection. Ultimately the purpose of most of these services is to give every one of us opportunities to live, to work and to pursue happiness as we wish.

Most of these services are usually regarded as desirable ends in themselves. But transportation is not an end in itself. It is a means to take advantage of all the other services and opportunities and pleasures.

For most of us it is not just being able to move that is desirable, but the chance to get somewhere—to work, to school, to shop, to the ball game—and to get home again without delays and frustrations on the way. For industry, transportation means the opportunity to bring in raw materials, to get employees to work and to ship products to

markets. Transportation ties our society together and widens the choice of opportunities available to each of one of us.

Public decisions on how to divide our resources among transportation and other services must be based on comprehensive planning that looks at the social consequences of alternative actions as well as at the capital investment costs. Without a co-ordinated comprehensive approach, we cannot make the best use of our resources. Ontario is wasting large sums of money because it does not have a comprehensive approach.

Certainly we are moving in that direction; there is no question about that. I read with interest the annual report of The Department of Transport with particular reference to the transportation division. They are very capable in that division, Mr. Chairman, and I know that they are moving in this direction.

To support that, I just quote to you two or three statements in that submission by the executive director of the transportation division. For instance, he says:

Co-ordination of the various transportation modes was essential to the formation of these planning concepts and their effective implementation.

Then later on he is talking about the desires and the objectives of the division, and he states that at least one of the objectives is to co-ordinate and assess the role that each mode of transport can best play in an inter-modal system mix that will both economically assist and make practical the Ontario government's Design for Development. So there is no question about it, the province is starting to move in that direction.

I underline again that the executive director and those people associated with them in that division are extremely capable; they bring to that division a great deal of transportation expertise, and we look forward to some great things coming from that particular branch of the department.

In Ontario we have the most powerful concentration of people and business in Canada. Bold and imaginative use of this advantage means bold and imaginative development of our total transportation network, which will mean new industry, new jobs, better and healthier metropolitan growth, and consequently a better opportunity for all our citizens to achieve their full potential.

I do not want to repeat what I said on second reading of the so-called merger bill, the bill that merged the two departments, insofar as the possible transportation policy

is concerned. However, I want to tackle it from a slightly different angle.

The most striking shortcoming of our present transportation policy is the lack of overall objective, and I say that against the background of what I said just a moment ago with respect to the transportation division.

We have our highway plans, we have our mass transit plans, we have our harbour development plans federally, we have intercity transit plans, we have airport development plans, and so on, but we lack the comprehensive transportation plan that brings together all these separate but highly essential plans, so they make sense for Ontario's future.

I have said it many times before, and I say it again, we need a master plan for transportation. Such a plan would guide us towards making more intelligent decisions about the kind of new transportation modes we select and how they interlock with our present system. The context of Ontario life is change—rapid, far-reaching change—in every aspect of our economic, social and community life. In that we are no different from anyone else. Some of these changes are altering the patterns of public and private transportation which served us well in the past. In many cases, we will have to supplement present methods of mobility with new technologies and a more balanced approach.

This new technology will have an impact on the future of the city and the countryside, on the quality of life, on the attractiveness to industry seeking access to markets, on the new mix of the transportation modes, manufacturing industries, and on the carrier industry of the province. To get from anywhere to everywhere quickly, comfortably, cheaply, between morning and night, is the ultimate objective. Any transportation system that can do this is worthy of the name.

An integral part of the master plan would be a detailed inventory and evaluation of potential transportation developments which may be acted upon quickly. Moreover, in the age of computers, there is no reason why such a plan could not—indeed, it should—involve a computerized strategy for the input and feedback of every development in transportation techniques, needs, funding, every change in population and every new requirement of Ontario citizens as the years go by, to come up with a continuous, systematically, updated bundle of facts and information for the use of the department planners.

The master plan in large part will have to be a sophisticated, mathematical pro-



gramme which makes it possible, at any moment, to come up with an accurate picture of transportation needs, a list of suggested means of fulfilling those needs. Not only will it identify needs, but by making it possible to have at any time an accurate picture of both costs and benefits, it would enable Ontario to get the most for every tax dollar. Much of the new transportation technology is directed towards increasing mobility within urban areas. Good urban transportation is a need of the majority of our citizens, because the majority lives in urban Ontario. If our urban areas are to be desirable or even bearable places in which to live and work, improved urban transportation is needed.

With the jumbo jet carrying several hundred passengers at a time, the result could be an increased door-to-door trip time because of the chaos and overcrowding in the airports, unless new methods are developed to handle passengers and baggage because of congestion at the access centres. The improvement of urban transportation will require a mixture of existing and new technology, especially for passenger movements. Developing a master plan connotes rational planning, which requires:

1. Finding out what already exists, how far it meets our current needs, and how much extra capacity is available for future needs;
2. Forecasting what future needs will be;
3. Considering all possible alternatives and ways to fill those needs;
4. Deciding on what basis we will make a choice among the possible alternatives.

In order to assist in the latter we must use the origin and destination surveys—I presume the department do these surveys—of existing travel patterns.

The cost of poor judgement, or even good judgement, based on poor information, has been demonstrated too many times in the past. The cost of repairing a mistake may often be prohibitive, while the cost of living with a mistake may be unbearable. Usually a proposed plan has been a list of individual link improvements, projected sore spots ranked by their relative urgency, rather than a system-wide network plan. Individual projects have been reviewed in isolation as members of a list on a piece of paper, not as members of a complex network.

Here in Ontario, the only coherent transportation planning has been for highways, because this is the mode where most of the investment was going and where all the emphasis was placed. Hence, there has been

a recognized need for planning in this one particular area. When one takes a look at what has happened in recent weeks, one can see that here, with particular reference to urban transportation, the department certainly was not keeping up with the times.

I think it is fair to say, Mr. Chairman, that five years ago it was becoming fairly obvious that people were not going to be wedded to the automobile. That being so, I think it should have been fairly obvious to the department that it should have been shifting its emphasis. However, it was not done. The department continued to give provincial subsidy for expressway construction to the extent of 50 per cent. The subsidy for rapid transit, on the other hand, was 50 per cent but only extended to the right-of-way clearance. When one took the overall rate of provincial subsidy, as it applies to rapid transit, it only amounted to about 20 per cent; so there was a 30 per cent discrepancy there.

I think, had the department recognized early enough the shifting emphasis, the government could have avoided perhaps a very uncomfortable political decision. I am referring, specifically, of course, to the Spadina Expressway. Planning is really an investment in information procurement, in analysis, in order to produce better decisions. It is vitally important that the department emphasize the need to consider all transportation modes together as a single network.

In summary then, Mr. Chairman, I suggest that in consideration of these estimates that we look at the situation in terms of cost benefit analysis of the optimum mix of roads, rapid transit, both surface and underground, or air and conventional intercity rail services. It is obvious that in the process of talking in this way, we shall inevitably be concerned with federal-provincial relations in respect to interprovincial freight traffic by air, water, rail and road and, of course, with the effect of federal installations, such as harbours and air fields on the growth and development of the province.

Moreover it is obvious that any in-depth cost-benefit analysis at the moment can be based only on a somewhat limited amount of information; hence any judgements of that nature are going to be based on a degree of opinion rather than an objective, critical analysis of the facts, because we do not have all the facts we should have. Consequently, the crying need is for the drafting of a master transportation policy as quickly as possible, considering all modes of transportation together as a single network.

We are concerned with economics, which is a study of the utilization of limited resources to satisfy human needs. We want to study the distribution and consumption of goods and services in these estimates, and the allocation of resources, among the various uses to which they can be put. Today a considerable share of our economic effort, of our labour, of our capital and of our managerial ability is devoted to supplying transportation services, and a considerable share of our income goes to pay for that service.

Transportation adds value to goods. It is always contributing to an increased living standard and to our sources of well being. Good transportation always implies economic progress; it cannot be otherwise.

Until iron and fuel, not 10 miles apart, could be brought together, nobody could make steel. In Canada, we know that our rich resources are of no value until they can be brought to where value will be added by turning them, through secondary industry, into a usable form which will sell and be consumed. Today we see territorial specialization—pulp and paper in the north; automobile manufacture in Oshawa, Oakville, Talbotville and Windsor; steel along the Great Lakes—none of which would be possible without a transportation system.

We are primarily concerned with the planned and orderly growth of Ontario. The transportation facilities will set the growth rates in both relative and absolute terms.

The shape of Ontario in the years to come will be determined by the shape which we give its transportation facilities and policies.

Finally, Mr. Chairman, this is a big and extremely important department. The minister has a tremendous responsibility in this department. More than any other department in government, it will decide the economic well being, the orderly development and quality of life in our cities and the transportation mix that will best serve the people in the province. This department, more than any other, could remake the face of Ontario.

In closing, I ask the minister to provide the kind of guidance and the kind of leadership that is necessary to provide a transportation system of excellence; a system which will serve all of the people in the province, no matter where they live. Thanks, Mr. Chairman.

**Mr. Chairman:** Mr. Young. Have you got an opening statement?

**Mr. F. Young (Yorkview):** Yes Mr. Chairman.

First of all I want to express my pleasure at the new department, headed by the new minister, although he has had some experience in the past years in part of this field at least. We hope that the new department will accomplish all we expect of it.

I also want to congratulate the member who has just spoken, the member for Huron-Bruce, who has presented, I think, a very thoughtful and a very comprehensive transportation policy. I do not think there is anything there that we can disagree with very fundamentally, and I do not want to repeat what he has said, although it does cut into some of my notes a bit. That may save some time, to—

**Hon. Mr. MacNaughton:** That is the trouble when you have to speak second.

**Mr. Young:** —the advantage of all concerned. However, I think I still have quite a few notes left and it will take some time to say what is on my mind.

Not long ago when the Prime Minister (Mr. Davis) dropped the bombshell about the Spadina Expressway, it changed the direction of development in this province. There is no question that the emphasis was shifted completely.

We have been waiting ever since then for some sort of policy from the government as to what they plan in respect to the new policy and I was hoping that the minister would have that statement today. Perhaps we are going to get it shortly, I do not know, but I was hoping that he would tell us exactly what the government had in mind in the way of shifting that emphasis, what subsidies they might have in mind and what hopes they might have for the future, so that we could base our opening remarks on that a bit and that at least some discussion in these estimates might revolve around that particular aspect of things.

I think all of us are disappointed that this decision came without an alternative. The Spadina Expressway as a symbol of this particular mode of transportation suddenly was stopped, but there was no policy, no alternative, no thinking as to what we are going to put into its place and what we are going to do in Ontario from this point on.

Does it mean that rapid transit is, in effect, going to take the place of Spadina? Are we going to try to make our way down through the existing streets that may be widened by



the municipality into lanes which would more than make up for Spadina as far as construction cost is concerned and ease of transit? Or are we going to have some better mode of transportation, rapid transit, GO Transit, what is it going to be?

And when we look at the Toronto-centred region, what does it mean here? The Toronto-centred region is originally based, I suppose, on a network of expressways. Do those expressways go by the board? Are we going to think in terms of rapid transit linking the clusters of population from the centre city out to the others? How are we going to do this?

There is just no policy. We are listening, and have been listening for some length of time, and yet today the minister has not got that statement for us, or at least not yet—we hope he will have—but we are waiting—

**Mr. Martel:** Maybe he will issue a ministerial order.

**Mr. Young:** All right, but unless he is going to speak and present the ministerial order, I suppose he is not going to give it to us. The Prime Minister said that "We hoped that—"

**Hon. Mr. MacNaughton:** Do not make too many assumptions.

**Mr. Young:** Perhaps in a month's time, he said, we would have a policy; and yet we heard later on that a committee is being formed by the province and the municipal governments, which would take three months to come to some decisions. Where are we?

There is a problem here and one which is the result of sheer lack of planning over the past decade. As the hon. member who has just spoken said, we should have been thinking about this long ago. We could obviously see that the problem regarding expressways was building up. San Francisco stopped an expressway not too long past. Public opinion has been turning against the use of the motor car in the central cities and is asking for more and more effective means of urban transit.

Here in Ontario we should have seen this. We should have understood. We should have been planning ahead over this last decade a more effective and efficient way of doing it. But after these years of neglect, suddenly we get the stop-work order and we get nothing in its place so far.

I know it takes some time to think things through, but the government, it seems to me,

should have had the answers at the same time that the stop-work order was plunked down. It just seems incredible that we should be faced with this kind of delay after a decision.

Frankly, I felt that when we had the delayed decision on the Spadina Expressway, the delay was in large measure because the government had not yet decided alternatives if they were going to stop it and therefore the whole thing could be wrapped up in one package. We have not got that package and I think the time is here when the government should face up to this problem.

While this boom was lowered on Spadina and we were told that expressways are no longer to be the emphasis as far as this government is concerned, another matter is coming very much to the fore in respect to transportation. That is the matter of train service.

This has been occupying the federal Minister of Transport and his department now for some time. Hearing after hearing has been held as both the CNR and CPR have tried to phase out their passenger service.

Freight is profitable; passenger service, evidently, is not. It has not been for some time since the building of the road systems and the emergence of the motor car. Our rail service has increasingly come under the fire of those who want to make a profit out of the lines, and profit lies in freight not in passengers. The service has been cut, and deliberately I think. The service has been changed to the point where people no longer find it convenient to use the railways, which then apply for the cessation of the passenger service.

As an example, Ron Haggart in the Toronto Telegram of January 7, 1971, had these three paragraphs which I will just read:

Gerrymandering of services by both railways in the Toronto-Agincourt run is a classic study on how to push people out of commuter trains and on to the highways.

Until recent times the CP service left Toronto at 6:30 p.m. reaching Agincourt in outer Scarborough in the unbeatable time of 18 minutes. An excellent service, particularly for the white collar, double Martini crowds who dally a bit longer at the office or somewhere.

Then CP pulled this departure time back to 5:30 p.m., only 10 minutes later than the existing CNR service to Agincourt and Markham which, throughout history it seems, has left Toronto at 5:20



p.m. By this manoeuvre Agincourt commuters now had duplicate service rather than alternative service. The railways, who say they cannot make money out of any passenger service, were now competing for the same passengers.

Haggart gives other examples of the same kind where the railway service has been deliberately distorted and then applications made for a cessation of the run.

I was interested in this regard in the *Sarnia Observer* of May 31, 1971; and their editorial says this: "During 1970, the giant railway complex, Canadian National Railways, reported an operating profit of \$45.8 million."

In other words, the railways, even with the service today, are making money. Of course, they compensate for the passenger loss with freight.

The *Observer* goes on to point out that while they made an operating profit, the CNR still wound up with a deficit of \$29.7 million. This, of course, is because of the railway building heyday in the last century and the early part of this century, when the robber barons of that age built duplicate railway systems and then unloaded them on the CNR without the water and the stock being properly squeezed out.

The government simply took over the indebtedness which never should have been taken over. These roads should have been allowed to go bankrupt and then the assets taken over at their proper value by the people of Canada. This was not done and the result is that we are still running a deficit in this railway even though the operating profit last year was \$45.8 million.

All I am saying is, with proper management the railways do make money.

This is what is happening, of course, while we have no policy except that expressways in the cities are now frowned upon. We also have no policy in respect to train service. I will say that this government has used some real imagination in setting up the GO Transit service along the Lakeshore. That was a good move and one which, I think, points the way to something in the future.

If the train service is geared to the people and the trains are built at the right weight, the right speed and run on the right schedule, people can be lured back to the trains in very large numbers. So far, all we are seeing is the phasing out of the train service. At the same time, expressway construction is obviously being stopped.

While this is going on, Mr. Chairman, as you know and as the people in this room know, we have new modes of travel being explored across the world. I have a clipping here from the *Kitchener-Waterloo Record* of October 29:

A. T. C. McNab, Ontario deputy minister, visited France last year to see experiments on aero-trains and this fall another delegation went to take a look at the progress.

This has been looked at. Just the other day, June 16, we get an article which says the Germans have displayed an air cushion train that hits 350 miles an hour. I presume the deputy minister is keeping a close watch on that one, as is his department. What the air cushion trains can do for us in the future, of course, is still not entirely known.

Down in the United States, at Pueblo, Colorado, the government has set up a very extensive testing area where new modes of travel are being worked out. France is doing quite a job; Germany is doing quite a job; the United States is also. I take it that our people here, Mr. Chairman, are keeping a very close watch on this and participating in the information that is coming out of these particular tests.

We have new methods being worked out, new methods of transit, but whether those new methods are going to serve the purpose of this province within the next period I do not know. The intercity passenger transport study issued September, 1970, throws some doubt on this as far as intercity travel is concerned. To quote a couple of excerpts, speaking of the Montreal-Toronto run of course:

In terms of total system performance the introduction of STOL or TACV cannot be justified in the coming decade.

They say, which is a bit pessimistic perhaps.

In the 1970s, the greatest benefit would be derived from improvements in the existing modes such as on-time reliability and consequent reduction in waiting time; passenger processing procedures; and rail improvements using existing trackage.

In other words, they are saying we have to pep up the present modes during this decade rather than count on the new modes before the 1980s. Whether or not that is true, this committee seems to say that; although again they are basing their decisions in large measure on profitability. They say this:

However, in most cases the net revenue or profitability criterion is the most stringent. In almost every passenger transportation study other criteria are introduced only after the profitability criterion fails.

So it is a matter of paying its way, I suppose, in terms of dollars and cents, in this study. I want to say a word about that a little later on.

I think in this whole programme, Mr. Chairman, we have to rethink the whole development. I think perhaps that is what our new department is doing. I hope they are in a real way.

We have to balance this matter of profitability against community interest. It may not be profitable, for example, to use one particular mode of transit, but if it cleans up the air downtown, for example, and cuts out pollution, that is a community service set against dollars and cents.

In the long run community service may be far more important for the total community at large than making the service pay its own way. I am just throwing that out; so often we have thought in terms of speed, of paying our way. And yet is speed as important as we always thought it was? Are comfort and service and convenience more important even than speed itself? I think that the emphasis on speed is important in the days to come and the new modes are going to look at that carefully.

The profit motive has been hard to shake. That has been the thing which has made our civilization go. But we have transferred from the private sector to the public sector in many fields—post office, for example, and many others; the police service; Hydro; the education services; public libraries; all these things, parks, rinks. In this case, you see, profitability recedes and community service becomes more important. In the long run we think about assessing the total community for the service rather than thinking in terms of the actual users of the service having to pay at a profitable level. I think this is the kind of place where we have to start thinking in real terms in connection with our whole transport policy. I think of a gentleman by the name of Jack McArthur, who is not known as a wild-eyed radical. Yet on December 22, 1970, in the *Toronto Daily Star* he says this—talking about the GO system;

But the GO system, like most rail passenger services in Canada, is losing money. In this case it does not matter. GO system belongs to the province, which

recognizes that although the service may not show a profit on the income statement, it makes another and more important kind of profit. When all the benefits of the system are added up—the saving in time, road use and road building, gasoline and automobile deterioration—there is a clear social profit. The community and Canada are better off because GO exists.

Then we have Robert Chodos' book "The Right of Way" when he argues for the passenger train on the basis of safety, conservation of land, and its low capital cost compared with the building and maintenance of roads. He says this:

It is felt that railways can make money from their freight services and that they have a social responsibility to provide comfortable, efficient transportation at reasonable cost.

Robert Chodos calls for a strong opposition to further abandonment of existing passenger trains, and for the need for rail passenger service as the keystone of a balanced transportation network. He says transportation decisions will have to be made on the basis of public need, not on the basis of political expediency or monetary and fiscal policy.

So I would hope that kind of philosophy is going to be pretty much before the department as we think in terms of better rail service, and then the integration of rail service with the new GO-Transit lines that I would hope will appear in and out of this city, and then other cities as they develop.

The question comes, of course, immediately, as to what the social cost is going to be? If we are going to make this change in emphasis into public transportation of various kinds, if we are going to look at the cities and say to them: "Now you have got to get rapid transit of some form, working, and working fast"; how is it going to happen? There is no question that if we are going to do that it is going to mean a tremendous increase in passengers if it is efficient, if it does the job. Hans Blumenfeld for example, the well-known Toronto town planner, has suggested that transit use in Toronto should be doubled immediately, or as soon as possible if we are to limit the number of automobiles in the downtown area. A doubling of transit use would involve greatly increased operating costs, although perhaps not a doubling of total costs. The demand in public transit will double in any way by the end of this century, we are told by those who have made a study of this. Then we



ask—how is that to be financed? How are the municipalities going to face up to this tremendous increase in cost, and how is Metro in particular going to do the job?

First of all it should be remembered that the municipal foundation plan, to which this party is committed and on which the present government is now nibbling to a greater or lesser extent would help enormously, particularly in the smaller towns and cities. That would provide them with more revenue with which to subsidize public transit. It may be that different arrangements should be made for different municipalities; that is, the problems of the smaller towns and cities are not all the same as the problems of Toronto. We can subsidize municipal transit systems indirectly—this is another suggestion—by exempting transit vehicles from fuel tax, sales tax, and perhaps licence fees.

But there are other suggestions which have come to my attention, which I have listed here, as to how we might as a province help in some measure the municipalities that are struggling with this problem of transit.

We could, for example, pick up municipal transit operating deficits or a percentage of them. This system perhaps penalizes efficiency and perhaps is not too good. It discriminates against systems which have a higher fare because such systems are likely to have smaller deficits. Furthermore, it would require close provincial control of municipal operating performance.

The second way that has been suggested is that the province could pay a certain percentage of operating costs. Such a system would be biased in favour of large cities because naturally the larger cities have larger operating costs. But again, close provincial control would be required if costs are to be restrained. All of us, I think, would prefer that municipal control of our transit system be maximized rather than the province having to step in and look at every little detail.

Again, such a system would be biased in favour of the larger cities, and in favour of transit systems which require large capital inputs such as subways and monorail systems. The capital input required in operating a bus line, of course, is not that great. The highways, for instance, already are there and they exist.

The fourth way that has been outlined: The province could pay a certain sum, say half a cent to a cent per passenger mile. This would involve great difficulty in cal-

culuation. Alternatively the province could pay a certain sum per seat mile; this again would penalize efficiency. If an operator knew that he was to receive a subsidy regardless of whether the buses were running full or empty there would be no incentive to him to make sure that they were full.

The fifth one is the one that think has real merit, and which the minister ought to be pondering very carefully. This is that the province should pay a per capita grant to all municipalities offering public transit service. That is a standard amount—say \$5 per head—to be paid to all such municipalities. As I remember, I think it was the Association of Ontario Mayors and Reeves in its brief to the provincial cabinet last December outlined this plan and was very much in favour of it, and I recommend it for serious thought. The transit system would of course have to operate to standards set by the province; and such a system would limit provincial interference in the operation of the transit system, but would provide incentive to municipalities to operate as efficiently as possible.

Calculation of what this annual grant of \$5 per capita to Ontario municipalities might mean is something like this. The figures are for 1969. The total cost to the province would be in the \$25 million to \$30 million range. Toronto with a population of two million, would receive a grant of \$10 million. The effect of this grant would be to turn the 1969 operating surplus of \$4 million into a surplus of \$14 million. Such a sum would cover a large part of the TTC's capital costs of 1969. That would likely pay the capital costs; they build about a mile of subway per year, and this would likely cover that much. More would be needed, of course, if we are going to have speed.

Ottawa, with a population of 450,000 would receive a grant of \$2.25 million. This would turn the 1969 deficit of \$850,000 into a \$1.4 million surplus, which could be applied to capital costs.

Thunder Bay, with a population of 100,000 would receive a grant of \$500,000. This would turn a \$400,000 deficit into a \$100,000 surplus.

St. Catharines, also with a population of 100,000, would receive a grant of \$500,000. This would turn a \$165,000 deficit into a \$335,000 surplus.

Kingston, with a population of 55,000 would receive a grant of \$275,000. This would turn Kingston's 1969 operating deficit of \$325,000 into a \$50,000 deficit. Bring it



up almost to even the books. Well, you cannot win them all.

The \$5 per capita grant system was supported, as I said, by the Ontario mayors and reeves. And wherever a per capita grant system of this kind would be worked out it would mean that generally there would be something there to pay the operating deficit. It would be an incentive for efficiency of the system, because the more efficient they are the more capital they might have for improving the system itself. I think this kind of a proposition can be looked into very carefully.

In addition to that I think we have to recognize that right away there have to be heavy subsidies for capital costs if we are going to overcome the immediate problem. Here, Mr. Chairman, I think the federal government should come in. Ottawa is setting up a department of urban affairs, and if they are going to mean business, they ought to be setting aside very large sums at this point for urban transportation. I would hope they would do that, and I would hope this province will be going after them in a really drastic way to come across. If they will not, the province itself I think is going to have to up its assistance capital-wise, and I think we are going to have to infuse very large measures of capital into the situation.

In Toronto itself, if we are going to do the job that has to be done, it has to be done speedily. That means, if we are going to have an extension of our rapid transit system in the new areas, up the Spadina alignment, or wherever it is going to go; if we are going to have a GO-Transit System up the Weston alignment of the CPR, and then—I would hope, through the heavily industrialized area up the CPR lines and from that point up to Woodbridge; then it means we are going to have to start not in one place and build a mile a year, but we are going to have to start in half a dozen places, with different contractors, the same contractors, and really start and build toward each unit so that we do the thing up not in five or 20 or 15 years, but that those rapid transit lines are built very, very rapidly.

Unless, of course, the minister has up his sleeve some air-cushioned vehicle or the aerotrain or something else in this field that he feels is now practical for this area. All right; we perhaps can afford to wait a year or two if that is feasible.

But I think if this report of the intercity passenger transport study is correct, although

they mean this to deal particularly with the intercity travel, then these others are not going to be ready for some time yet. So I urge the minister to think in terms of large capital infusion, whether it comes from his own treasury or from the treasury in Ottawa or both, so that we can get some speed in this whole situation.

Mr. Chairman, what of the future? In a more philosophical way, and also to bring down to brass tacks some of the things that we ought to be doing immediately—and the philosophical part of it has been dealt with, as I said, very adequately by the member who spoke before me—but I think I want to emphasize something he hinted at and spoke of in some measure: As we plan our cities for the future, we have to think in terms of transport as a vital service.

Up to this point we have demanded that things like sewers, watermains, streets, be put in; and we have had certain standards for these in various subdivisions that have gone forward. But we have never looked upon transit as a vital service the way the Europeans have done. The result has been that we have put in new subdivisions, built new areas in our cities, and people got to depend on one car or two cars to take them to their work; and then when we thought in terms of the bus service and we brought the transit service in, whether it was rapid or slow, and the people just could not be weaned away from the motor car; because they had them, they were used to them, they were a part of their lives by that time.

If we could think in terms of transit going in at the same time that the watermain and the sewer go in, as development proceeds, then we have to plan ahead for transit. And that means doing the thing we have been talking about in this Legislature, reserving transportation corridors in the new areas that are being built and making provision for transportation corridors even in the older areas that are already built up. That may be difficult but we have to do it.

In other words, transportation is part of the planning process, is a planning tool; and as the hon. member who just spoke said: "Where the roads go, where the transit goes; that is where development will occur."

If we think in terms of the Toronto-centred region, if we really are serious about getting the population where we want it, if we are going to develop it in the way that the Toronto-centred region ought to develop, then we think in terms of putting the transit

services, the rapid transit services or the highways, along with the other services, the watermains and the sewers, to the areas where we want development to take place.

In other words, we decide ahead of time where we want that development to be and then put in the services and make certain these services are adequate for the kind of population we think ought to be there.

Then when we think of that, we also ought to be thinking, perhaps, in terms of how we are going to pay for some of these things. In the new areas, when we are setting out our transportation corridors we ought to think in terms of real estate which is wide enough not only for us to plan the development along those corridors, but so that the province itself can cash in on the rising real estate values along those corridors. This is the way, of course, that cities like Stockholm and Saskatoon, and many others which have looked ahead, have acquired land, and then the increased value of the land pays for the services that have to go in. This is just a suggestion I throw out as we plan ahead in the Toronto-centred region, to acquire enough real estate so that the province itself is going to profit as well as the land speculators in the planning that we do.

Then, of course, parking areas must be retained at strategic areas. I think in terms of the area that I represent in the constituency of Yorkview, where we have both the Canadian Pacific and Canadian National lines, there is still quite a lot of open space where we might reserve parking areas for GO-Transit that could go up there; logical parking space, some now under public ownership, where we could have free parking to get people out of their cars and into GO-Transit and downtown.

In the Toronto-centred region we have to think in terms of parking space along the future transit lines, wherever they may go, so that we are reserving that space and not having to go in later to buy it up. This, I think, is pretty important.

We have had a lot of parking downtown in recent years, the automobile years. That has been part of the pattern, the automobile has gone downtown and found a place to park. Parking areas now, I think, if we are going to be serious about the new policy, have to be situated on the perimeters, and the land for those parking places, that space, has to be acquired now, before it goes much higher than it is; although it seems at the

present time the speculators have moved in a big way and we are going to have real trouble in acquiring what is needed.

If we are serious I think we have to look at the staggering of working hours. This has been done in some measure, but not enough. Certainly industry has to co-operate here, government departments would have to co-operate so that our streets, for the traffic that must remain and the transit lines which we now have, will be lightened a bit in the rush hours, morning and evening.

No matter what we do, Mr. Chairman, it is going to take time to build the new transit lines. I think in the interim we have to think of these practical ways in which we are going to alleviate the situation—like staggering of working hours, and reversing lanes such as we have seen work in Jarvis Street. We also have to look at one-way streets very carefully and some cities have been doing it.

Along with this is the exclusive bus lane now being tried out. I have various outlines here of how fast bus lanes have been tried out, one from Virginia into Washington, DC, an exclusive bus lane on the Shirley Highway, highway 195—two reversible lanes running a total of four miles have been used exclusively by buses during the rush hour.

First limited tests were so successful it was decided to construct a temporary bus roadway the remaining four miles to the new 14th Street bridge spanning the Potomac River. One and a half miles of this were opened some little time ago and the rest of it is now, I understand, open.

So far commuters using this bus service are saving 12 to 18 minutes; and since this fast bus service was initiated the patronage has increased by 30 per cent, which is interesting.

Another bus lane in New Jersey—the New Jersey Turnpike to the Lincoln Tunnel—has more than 800 buses carrying approximately 35,000 commuters each morning, along an exclusive lane. An interesting feature is that this lane which extends for two and one half miles uses the outbound lane—in other words goes against the traffic. The buses are using one of the lanes normally used by the oncoming light traffic. The outbound lane taking traffic out of the city which is generally light in the morning is being used to bring the buses in, and that of course is something I expect the department here is extremely knowledgeable of, and are thinking of very seriously.



I think this could help the situation here because many of the lanes going out of town are not used heavily in the morning, and vice versa in the evening. This kind of quick passage would help not only to get people in and out of town more quickly, but would also help to get the cars off the highways or off the streets.

There is another suggestion I think should be looked at in connection with parking lots, and that is that church parking lots, suburban shopping centre lots, which are not that busy during the day and certainly not during the Monday to Friday daytime hours, should be integrated into a rapid transit service and there cars might be parked and rapid transit used. It might be an added incentive to people to get off the road and onto the buses.

There is one further item I want to mention here, and then I think the rest of my presentation can well come during the vote, and that is the consolidation of centres in connection with trucking.

I note this is mentioned in the report department, and certainly the department is looking at it carefully. I saw some startling figures in Truck Transportation in Canada, in the May, 1971, issue, which really underscores this whole problem.

Two years ago, Smith Transport Ltd. found in a study of Toronto, that total cost of operating a "straight" in the suburbs was 78 cents per mile; in the inner suburbs 97 cents; in the fringe area \$1.24 a mile; and in the downtown area \$2.06 per mile.

For trucks, that would be transports, this means that goods movement by transport in the central cities is becoming prohibitive.

"Just about everybody,"—this article says from Truck Transportation, and I am quoting:

Just about everybody is responsible for the inefficiencies and the high cost of downtown goods distribution—for-hire carriers, manufacturers, retailers, municipal planners, architects, companies supplying their own delivery services, hospitals, restaurants, private motorists and so on.

It says partly:

—the poor quality of loading facilities was one of the principal problems that reduced the efficiency of goods movement by truck within the central area.

But the study also indicates:

—many shipments are small. Deliveries of office supplies and foodstuffs, in par-

ticular, were found to often contain 100 pounds or less and five pieces or less.

Changes in timing of truck stops to reduce congestion at peak traffic periods—

Of course is suggested.

But the study pointed out this—whether it is definite or not—that "A change to night deliveries was rejected as being impractical from both shipping and the carrier points of view."

And whether that is final or not is something to be decided later I suppose.

About consolidation centres:

It was suggested some private firms, particularly those distributing office supplies and foodstuffs, consider the possibility of amalgamating their trucking operations.

This is happening, to some little extent, but not enough, and I simply read another excerpt from the same magazine:

—too many trucks are making stops at restaurants, retail outlets and office buildings which in turn contribute to traffic congestion.

Don Parke at the last shippers and carriers conference said:

Improvements in commodity-flow distribution, taking the urban zone as a whole, are estimated to be able to yield a gain of of approximately \$90 per capita—

A startling figure.

Consolidation of terminal shipments and pickup-delivery operations could yield benefits of approximately \$25 per capita. Improvements in shipping and receiving facilities could yield savings of approximately \$10 per capita, and applications of new technology could result in benefits from \$30 to \$70 per person per year.

In other words, we are talking about a saving of from \$155 to \$195 for each person resident in an urban area each year with proper consolidation and proper delivery.

In other words, what they are saying here is that if we had the proper terminal consolidation where companies delivering, for instance to the Toronto-Dominion Centre, would deliver all their goods—the toilet paper, paper towels, office supplies, and the paper clips, and all the rest of it to one centre; and then one truck would deliver all these things to the Toronto-Dominion Centre, this makes for efficiency and gets many, many trucks off the streets.



This is in the works and this department is looking at it.

I simply want to put on record these figures which may be disputed, but which are here in the last edition of Truck Transportation in Canada, figures I think we cannot simply dismiss as being out of line.

The magnitude of those figures makes us stop and take a long look at this situation and ask ourselves if there is not a far more efficient way for delivering parcels and packages and all kinds of goods into the central part of our city.

Mr. Chairman, I am not going to carry this particular presentation any further at the present time. I would like to re-emphasize the importance of provincial participation in this whole procedure. This province has a real obligation today and I think the minister realizes this, in getting this dimension called speed into urban transportation, particularly in the Metropolitan Toronto area. And as it is introduced here it means, perhaps, a change of direction and it has very great significance for other growing urban centres in the Province of Ontario.

It cannot be done unless the province is willing to spend large amounts of money, unless the federal government is willing to co-operate in a real measure and make that urban department mean something, and unless this minister is willing to move in and move in fact to get the policy statement on the whole situation.

**Mr. Chairman:** Mr. MacNaughton, do you wish to reply to the opening statements of the two members?

**Hon. Mr. MacNaughton:** Yes; I would be happy to make a few observations. I do not think I will be able to comment on them all.

To start off with the comments of the member for Huron-Bruce, I suppose when I comment on his observations some of them will apply to what the member for Yorkview said and vice versa, because they were sort of on same wave-length; although I thought the member for Huron-Bruce generalized and the member for Yorkview particularized. I think he did.

In any case Mr. Chairman, I find it very difficult to disagree with the member for Huron-Bruce because I concur with most of the sentiments that he expressed. I would have to say, I think, that they constitute the basic and fundamental purpose for the merger of the two departments. It was on this premise that the merger was proposed, accepted and now is a reality.

I guess I must admit, Mr. Chairman, I cannot disagree with the member for Huron-Bruce very much, because we concur. If it had not been that we felt as he did, I suppose the merger might not have taken place. I would say to the hon. member for Huron-Bruce, it is because we did that we went about it.

He made reference to a master plan. The master plan I can say is in advanced stages of completion. I think I could fairly make reference to the hon. member for Huron-Bruce, and say the same as the hon. member for Yorkview, and that is I simply ask them to read again everything that has been said about regional economic development. I will come back to that a little later, but every report has stated the predominant importance of a proper form of transportation in balanced form, utilizing those modes best suited to the requirements of the area or jurisdiction involved.

It seems to me that what might be applicable to Metro might not be equally applicable in, say Geraldton, because they have different requirements. So I think it is fair that we all take these things into consequence when we make certain sweeping observations that do not characterize the situation as it exists all over the province.

**Mr. J. E. Stokes (Thunder Bay):** It is just more urgent there; that is all.

**Hon. Mr. MacNaughton:** I am not prepared to deny that either. Certainly, I would say more urgent from the hon. member's point of view at least, yes.

Then reference was made by the hon. member for Huron-Bruce about the evaluation process in which the computers would be involved. I think in fairness I should say to him that this is manifested very clearly in the programme planning and budgeting arrangement that we are on the verge of now, because I am making reference here to programmes—and you will see them listed this way to an extent now that has not been used before—objectives within the programmes and activities within the objectives. This is the evaluation process; this is where the cost-benefit analysis material will emerge. It will come up, over a period of time, as the Treasurer (Mr. McKeough) and the various departments examine the requirements. This will bring those situations out in cost-benefit analysis terms.

We are well advanced in this now and some of it will be obvious to you as you pursue the estimates.

There was reference made to origin-destination surveys. We were using origin-destination surveys when I was formerly in Highways. That was in the early sixties and, I presume, we were using them long before that and we continue to use them.

Not only do we use them, but because of the changing character of transportation requirements we find that they have to be updated continually. Origin-destination surveys which were made five years ago are probably obsolete today, so we have a process of updating these as frequently as it is necessary.

I would think at least once a year every origin-destination survey we have made goes through an updating process. It is quite right that we should use them. We not only use them, but we use them constantly and continue to improve them and update them. I say that because I think you would be interested to know that.

**Mr. Gaunt:** Did you have them last year?

**Hon. Mr. MacNaughton:** We have them all the time. They go on all the time in terms of every area transportation study we have made, I think. Mr. McNab, is that not correct?

**Mr. A. T. C. McNab (Deputy Minister):** That is right; and they are continually updated.

**Hon. Mr. MacNaughton:** They have to be. They become obsolete very fast in this day and age.

**Mr. Gaunt:** So you do them every year?

**Hon. Mr. MacNaughton:** We update them every year, if we do not do them. We are doing new ones all the time and updating existing ones. It has to be done, because things change so fast today you cannot rely on something that was done five years ago. You have to keep updating it.

Then with respect to rapid transit and new legislation, I do not propose to disclose the contents of the legislation at this point in time. I think that should be presented to the Legislature, but I can say to the committee that hopefully I will be able to present a new bill, contemplating the various things that have been discussed, in the Legislature on Thursday of this week. I hope I can make it by Thursday. It has taken some time to rewrite the Act, I think that would be understood.

Some of the new sections of the Act must be evaluated. We have gone through that

evaluation process, so I say hopefully I will present a new bill—it may even have a new title—on Thursday of this week. It has been impossible to move any faster than that. You will have to take my word for it, but I state categorically we could not have moved much faster. When you consider that the whole merger process of the department did not commence until the advent of the Throne Speech, I think we have moved reasonably fast. The bill is through the House. The organizational work that has been involved in it has for all practical purposes, down to a certain level, been done. The organizational chart is largely finalized.

So we have moved reasonably fast, and with the introduction of the legislation, I think we are on the road. We will hear what you think about the bill, of course, when we introduce it. I am sure we will.

The other observation I would like to make with respect to people's concern for speed—this would characterize to some extent the observations of both hon. members—is that when you look back over a short period of years I would have to tell you that some of the things we propose today could not have been contemplated in those years because attitudes change and attitudes change very quickly.

If we had expressed certain programmes, such as we are talking about today and which meet the attitudes of people apparently very well, if we had tried to tell certain communities that the expressway facilities they wanted at that time were passé because we saw new modes or new methods coming, I suggest we would have been in serious trouble, because they did not look at it in that way in those days. Attitudes change very rapidly in the field of transportation, as I think everyone would know.

Mention has been made of road and rail and rapid transit and other types of transportation facilities. We propose to go further than that, and this is where I think the hon. member for Thunder Bay would be interested again. We propose to expand this into the field of road, rail and all related modes, as well as water and air; so that it does not stop with the observations that have been made here today, it goes further than that.

I do not think we can provide an effective type of balanced transportation unless we get into all these modes. We have talked about balanced transportation here today, but unless we take these into account as well, then I do not think the full balance that is required can be developed.



I have a few comments with respect to the observations of the hon. member for Yorkview. I say this as a matter of fact rather than in critical terms—that I think he has stated the obvious very well. What he has said is obvious. It is obvious to me and I think it is obvious to anybody in this room. This leads me to the form of balanced transportation I just commented upon. We cannot possibly contemplate too much emphasis on one mode without taking into account the other modes that go with it.

Certainly some of each type of facility are required. At the moment the emphasis will be on rapid transit to an extent. But further than that, I think I would have to say that urban transportation, as distinct and apart from rapid transit, must be taken into account. Rapid transit will not fill the entire bill in all urban municipalities. It will go a long way to relieving the transportation problems of an area of Metro but when we move to other urban communities then public transportation is the order of the day. That is contemplated at this point in time and the legislation will reveal to you some of our thinking on that.

So let us say at the rail services level of responsibility, it was interesting that we had a conversation with some people who are deeply involved in rail transportation today. It was very illuminating, and it was agreed even by those people that there is a substantial element of federal responsibility in this situation. However, I am led to the opinion that a greater level of responsibility in the other sense is being accepted by these jurisdictions today than ever before. Hopefully we can see on the horizon an element of more co-operation than we have been experiencing at that level and I hope that is an opinion that will be justified.

We have been frustrated to some extent in this field, because I do not think it should be the financial responsibility, at least of the province, to move in a field where there is such a substantial element of federal jurisdiction. I think it would be much more effective if we could find a basis of working in partnership in this field and then we can get something done, and I am encouraged to think that we can.

So the reference to the updating of existing modes rather than rely and wait for reliance on new modes totally, is a sensible observation. I believe we are going to have to update existing modes and utilize them in the intervening period, at the same time considering and hopefully developing and

eventually utilizing new modes as well. But certainly there is some merit in the updating of the existing modes and I can assure you that that is in process.

The other thing that impressed me—it does not always impress me but it did today—as a matter of fact that discussion took place over lunch with some other interested people. I have held for some time that in this field profits should be manifested in benefits to development, should be manifested in terms of social improvement rather than entirely by black figures or red figures on the balance sheet. I believe that to be true, so we can find some things to agree on.

**Mr. Young:** Wonderful!

**Hon. Mr. MacNaughton:** Well then, the transit rail line study: Some of you will be aware, if not everyone is aware, that the federal Minister of Transport has assigned a staff person to undertake this study along with Metro and ourselves in Toronto. This is in the formative stages now, but it will be worked out at those levels. Here I have in mind the extension, if you wish, of GO-Transit in some form or other. It will be the counterpart of that. There is an awakening of interest in this field at that level, and I can assure you we are encouraged, so that hopefully maybe we can make some progress in this field now.

Well then, urban-municipal transportation, the hon. member for Yorkview touched on that. I think before we talk about the method of providing encouragement or assistance for this type of transportation, the first thing we need to do is to determine what constitutes a desirable level of service. We are approaching it on that basis. Let us take any urban community that operates a bus line or some form of public transportation.

There is a variety of service levels across this province that I would suggest would stagger the imagination. Some communities do much better than others. If we are going to provide a form of assistance—and we are—I think it is highly desirable to make a determination at least as to what constitutes a desirable level of service in that field, then measure the cost factors and apply them for equitability's sake.

I would have to argue with the hon. member for Yorkview to some extent and state that a per capita grant does not work in equitable terms. Those municipalities that are providing a reasonably good level of



service and operating pretty close to the balance sheet balance would be prejudicially dealt with; whereas others who need more would get more, and it is not as equitable as it may sound.

**Mr. Young:** Well my statement was they would have to operate to standards set by the province. I think we would have to get that standard, but then we must work it out.

**Hon. Mr. MacNaughton:** Yes, that is right. But then we must determine what the desirable level of service should be before we can set those standards, and that is in process.

**Mr. Young:** Agreed.

**Hon. Mr. MacNaughton:** That is in process and we will be able to talk about that in the Legislature, hopefully in a few days. Federal input then, in terms of co-operation and funds, and I would almost attach equal importance to them, although I may find that the funds are more important than the co-operation at a certain point in time myself. Nevertheless they go hand in hand, and I can say to you all they would be welcome, and indeed they are required if we are going to make the best job of what is to be done around here.

We need that element of co-operative attitude, and certainly we need some financial help, because of the cost of doing everything that has been proposed here today.

In terms of speed—first of all I would say: What degree of speed? We say “with speed,” but what is speed? Is it like tomorrow or is it next month, or is it X years, or whatever it is? But to do it all at once, of course, the cost would be very prohibitive; and to make any kind of progress in this field that will be of assistance to our communities will require co-operation and funds, and as I say I am encouraged to see that some of that appears beyond the horizon.

Well then, in terms of planning in the overall sense, I guess we have to deal with existing situations that have fallen below the provision of the required level of services that each and every community requires. We must deal with that, whether it be rapid transit, public transportation or surface facilities.

We certainly need to deal with existing situations as we find them. Our whole planning processing then goes on from there in terms of short term, medium term and long range, because as the population develops then the long range matters are going to be equally important as the short range problems are today.

**Mr. Martel:** Sudbury must rate high.

**Hon. Mr. MacNaughton:** Well Sudbury has to do something about that themselves, I might say; and you can tell them that for me.

**Mr. Martel:** But the government has to get involved too.

**Hon. Mr. MacNaughton:** One or two more observations: I am rather surprised the hon. member for Yorkview did not mention this—I would be sure he has thought about it—I make the observation that municipalities, be they Metro size or whatever, are going to have to take a long look at the type of population density they permit to exist in certain areas, or we are still going to have the problems unless that side of it is given some element of control too. I cannot comment on whether they are building now to the point where densities are going to be too high; but when I see some of these tremendously highrise office buildings being concentrated in a certain area, some day that density of population is going to frustrate anything we can do to improve transportation, if it is not considered.

**Mr. Young:** Unless you put highrise apartments alongside of them and let them to the people who work there.

**Hon. Mr. MacNaughton:** Well in some form, I could not agree more.

So you must realize, as we do and the department does, that wherever you build a new facility in terms of an expressway or an improved street or highway facility the first thing you do of course is attract more vehicles to it. People who drive automobiles have a tendency to find the best roads they can, so it is a never-ending process. I suggest that it will continue to go out of style.

These are about all the observations I have to make, Mr. Chairman, but I would suggest, possibly, that the deputy minister has made a few notes too that might be pertinent for the consideration of the committee.

**Mr. Chairman:** Yes; Mr. McNab.

**Mr. McNab:** Thank you, sir.

I find myself in the position, of course, of speaking second and the minister has covered very well most of the points I was going to make. I just would like to clear up one or two points.

There has been mention here on a number of occasions this afternoon, of some of the new modes that are on the horizon. I do not

think they are as far away as some might believe.

The intercity study that was undertaken by the federal Department of Transport was basically intercity in the sense of Toronto-Windsor, Toronto-Montreal, Toronto-Ottawa, and we in the department agree that we are quite a few years away from the aerotrain high speed rail operation; but in the commuter area within the short haul, within 50 miles, I feel quite confident in saying that within five to six years at the maximum we can and should be operating, at least on a limited basis, some of the new modes such as the tracked hovercraft.

**Mr. V. M. Singer (Downsview):** Such as what?

**Mr. McNab:** As the tracked hovercraft, which is a guided system—it is, if you understand, a type of monorail which, you might say, travels on a cushion of air. It is completely pollution-free and practically noiseless; there is no friction.

This is not a Jules Verne thing any more. The prototypes are in operation and it is quite feasible, particularly in urban areas, as a commuter service.

This type of facility can be built on very narrow rights-of-way. It can be built on Hydro rights-of-way or alongside rail rights-of-way. We have initiated discussions with the railroads with the idea that wherever possible and feasible, their rights-of-way might be utilized.

**Mr. Young:** When you say five years, do you mean the propeller-driven single car or the linear induction system?

**Mr. McNab:** I am talking about the linear induction motor.

**Mr. Martel:** What was it they tested in Germany last week, I believe at 350 miles an hour?

**Mr. McNab:** The speed really is not the feature as far as the commuter service is concerned, but in this service we are talking about speeds up to 125 miles an hour as practical. This mode is capable of very high rates of acceleration and deceleration, which is very important on a commuter service.

**Mr. Singer:** Is this feasible for intra-urban, or just inter-urban?

**Mr. McNab:** Intra.

**Mr. Singer:** Inside it?

**Mr. McNab:** I would say it would be completely feasible, say, for distances like Toronto-Barrie or from Richmond Hill-Toronto.

**Mr. Singer:** But not from Bloor to St. Clair?

**Mr. McNab:** That would be part of the run, sir—if it was going out to the west, it could take the place of a subway system in a northwesterly direction. I am talking about further west than the Spadina Expressway and not just to one place, it is to hook up with Malton, Bramalea, Brampton—a service which is practical—or up the Don Valley. It is this type of thing, where you have a relatively dense area to tap.

**Mr. Stokes:** How are the capital costs?

**Mr. McNab:** The capital costs would be much less than a subway, but it would not have the capacity of the subway. It would have about half the capacity. A subway capacity is about 40,000 passengers an hour. This would have a service capacity of about 20,000 and it fills a gap.

There has been nothing in existence up until this time that has this capacity. That would be a first-line capacity, in say, a city like Ottawa, or possibly Windsor, or London, places like that.

But the point I wanted to make is that as a commuter service we feel that it is feasible for much more than an intercity service on the Ontario scene.

For the propeller-driven type, the noise level is just prohibitive.

**Mr. Young:** The linear induction motor is possible within the five-year period?

**Mr. McNab:** Oh yes. This is the information we get. This has been the big stumbling block, but there is an awful lot of effort going into its design at the present time.

I would also like to point out how, in the interval, until we can get these things, we can extend the subways. There is a tremendous amount that can be done in utilizing the existing facilities in a city like Metropolitan Toronto; but this means, in my opinion, a great deal of discipline on the part of people.

In other words, it is going to take the co-operation of the municipal officials and the people to establish express bus routes so that the buses are not in competition



with the motor vehicle. There will have to be moves made to curtail parking on express routes. All this, of course, will have to be done in any event, because our surface systems are going to have to feed your heavy capacity subway systems.

Many of the experiments that we have undertaken, such as the extension of Go Transit—the utilization of buses for this purpose, whether it be mini, maxi or the conventional type midi—type have all proved that they have their place. It does not exclude the fact that we should have, and unquestionably will have, high-speed mass transit of some description going due north of Toronto.

We have been most encouraged by the public acceptance of a system which takes into consideration their convenience and comfort. One of the major roles for government in this whole thing, as I see it, is giving leadership to integrate these systems, to encourage interlocking schedules and things such as this to make the public transit acceptable.

I would remind you public transit becomes rapid transit when it is out of competition. A bus can be rapid transit if you have it on an exclusive right-of-way or on a right-of-way where it has some precedence over other motor vehicle traffic.

Mass transit, of course, is something different and I think, with respect, this term has been misused here in that we are talking subway and it is mass transit.

Just to reassure the gentlemen, insofar as the Toronto scene is concerned we have already started this overall area transit authority study to not only look at the long range thing, but at the immediate improvements that can be made to our existing facilities to speed up traffic; such as more left-turn lanes and, wherever possible exclusive bus lanes and, certainly, try to develop one-way systems. But this is a stop-gap, in the first instance, until we can get on to the more exotic types.

**Hon. Mr. MacNaughton:** Yes, I might make one observation before we go on. The matter of the multiple use of transportation corridors is moving along, I would say right now. And again I would make reference—because it was referred to here earlier—to the Toronto-centred plan which I think would indicate the emphasis that has been placed on the utilization of multiple-purpose corridors. It is succinct as far as the Toronto-centred regional plan, or concept report is

concerned. Even the green-belt facilities that have been referred to can accommodate some of these things, there is no question about it. It is in that report, you might say, and its philosophies are advancing rather rapidly.

**Mr. Chairman:** We have had a broad-ranging discussion in the initial statements, I would say, on the new Department of Transportation and Communications.

We will turn now to what was The Department of Transport. First vote—vote 2301—department administration programme.

**Mr. Deacon?**

**Mr. D. M. Deacon (York Centre):** I want to ask the minister, in the light of his statement about the role of the department, and what is his attitude toward hearings such as the intervention last December at the Toronto city hall, when we were trying to stop the move that CN made to abandon their service to Markham and the CP to abandon its service to Havelock. There were a lot of people intervening at that hearing, but it was not possible for us to determine from the representatives of the department whether they were in favour of the abandonment or not; they were not co-ordinating or assisting those intervening in any way to present a case in favour of improving the mass transit position. I am wondering what is the reason for the department or the minister not instructing those there to assist others in trying to put before the federal government representatives on the Board of Transport Commissioners the case for improved service.

**Hon. Mr. MacNaughton:** I was not there, so I cannot comment.

**Mr. E. W. Sopha (Sudbury):** You never articulated that concept that you stated in the House today, that it was a partnership between federal and provincial governments. I never heard them say that.

**Mr. B. Newman (Windsor-Walkerville):** Right!

**Mr. Sopha:** We said that. We insisted upon it.

**Mr. Deacon:** We could not determine it.

**Mr. Sopha:** I was the lawyer for the Liberal Party at the hearing, a misfortune that descended upon me.

**Mr. Deacon:** Fortunate from our point of view!



**Mr. Sopha:** Thank you.

**Hon. Mr. MacNaughton:** I would say to the hon. member for Sudbury that I have said it now; let us leave it at that.

**Mr. Deacon:** Well, what is your official attitude regarding such interventions? Are you pleased, for example, with the decision that was made to not permit abandonment of the service but to order extension of the service? Because I also heard comments that the department was quite distressed that the federal government was going ahead and improving the service without consulting them.

**Hon. Mr. MacNaughton:** There may be some merit in that. Again, I say I was not there, so I do not know what the conduct of the inquiry was.

**Mr. Deacon:** But what I am asking Mr. Chairman: Is the department pleased that the federal government has shown, through its Board of Transport Commissioners, their willingness to assist and subsidize an improvement of service for commuters, specifically in this service to Souffville? Is this something that the minister is officially in favour of? Would he be pleased if Ottawa would do more of this?

**Hon. Mr. MacNaughton:** Yes, I certainly would be pleased if they would do more with it. I suppose it relates; I cannot say, because I do not know. I do not know what the terms of reference that are set out by the Canadian Transport Commission are, or as to the rules that have to be followed in terms of submissions. Mostly I am led to believe that the applications that are made for abandonment relate altogether to the operating costs and the inability to operate without a substantial loss.

I would say with those terms of reference then, probably anybody who intervenes before the board must stick to those terms of reference. Whether they can go beyond that in broader terms, such as I have expressed, I do not know. I would be happy to be advised by—

**Mr. Deacon:** My colleagues probably can explain that better, but it seemed to me that the board was saying that it wanted to know what type of revenues might be expected if an appropriate service to meet the needs of the communities was provided and then what the cost would be to provide that service. That was the basis. They

gave us a lot of room and they gave your representatives a lot of room.

But what had disappointed those of us who were there was that your representatives were not authorized to give a definite position supporting an improvement in service.

This is the reason, Mr. Chairman, I want to bring out the quandary that I find in Ottawa in discussing with officials of the Board of Transport Commissioners and others, as to when they are going to be called down by the Ontario Department of Transport for interfering with provincial matters and jurisdiction and in the provision of commuter service in part of an overall transportation picture.

I think it is important, Mr. Chairman, that the minister be very clear to Ottawa that he wants their full co-operation. I think the province has done a tremendous job in subsidizing rail commuter service. As the minister mentioned, it is a federal field; yet the federal government has so far failed to provide any assistance here.

**Mr. Sopha:** Just let me interpolate if you will. It has a broader dimension than that. Because what they do in curtailing the movement of trains brings about a lack of utilization of those roadbeds which have been constructed at great expense to the people of Canada; with the corollary that by lack of utilization they force provincial governments to embark upon an expansion programme of highway facilities. So it is double-barrelled.

**Mr. Deacon:** I think it is important that our provincial Department of Transport make clear its role to the federal government. What it is hoping to do for overall co-ordination is paramount, as evidenced by the attitude met by The Department of Highways when it tried to institute a GO-Train service to Richmond Hill. They were told by the railways that there was no room on the lines and it needed \$7.5 million of construction, when there are only still 14 trains a day on that line in a 24-hour period. They were told that the train service would be 53 minutes, when their regular service is 28 minutes. They were told it would lose \$2.5 million a year, when if you hired a train every day you could not lose a million dollars if you carried the people free.

We have to be sure the federal government's role is clearly understood by them. They have the jurisdiction here; but they say that they are afraid to move too much in case you say they are interfering with

your responsibility for transportation planning.

**Hon. Mr. MacNaughton:** I do not know that it was ever stated in those categorical terms, and I would wonder whether the Canadian Transport Commission itself is the place to make that observation. I think it would have to go to another level.

I think we have to discuss these things with the federal Minister of Transport, so that he reaches the government; and it is the government that sets the rules for the conduct of the CTC. We do not do that. So I think we need a broader forum for the expression of these views than the Canadian Transport Commission.

**Mr. Deacon:** There is quite a gray area as to which is The Ministry of Transport and the research branch of the Canadian Transport Commission, and some of the information—

**Hon. Mr. MacNaughton:** They are very separate and distinct, I think, if we are to talk in terms of policy matters.

**Mr. Sopha:** I said that at Guelph. I said we are perhaps in the wrong forum.

**Hon. Mr. MacNaughton:** Yes.

**Mr. Sopha:** The provincial Minister of Transport should be talking to his counterpart in Ottawa.

**Hon. Mr. MacNaughton:** He is.

**Mr. Deacon:** That is great. Because in setting up this commuter study and your total transportation study, Mr. Chairman, I am sure the minister will recognize the whole area here of understanding the federal role is so paramount, particularly the need for the federal government to consider changing the legislation with regard to who has the control of those rights of way. The federal government is still very hesitant to tell the railways that those railway rights of way were made available for the use and convenience of the public. And the public does want to be sure that whatever happens, if the traditional railways are not going to provide service, those rights of way will be taken out of their control, and their control and the maintenance assumed in the same way as the airways and waterways are available for the public convenience and necessity.

With regard to this whole Toronto-centred region, as the deputy minister has mentioned, we know of the need for integration. We have

to have a means whereby the people know that they can sleep in a little later if they use public transportation, they can also get home a little sooner. Until we provide them with at least the equal choice in elapsed time, between one and the other, we have a problem.

Our problem is well illustrated by the present operations of the GO Transit. It being in the hands of the CNR, we have the traditional wage agreements that present a problem. We are modernizing the ticketing a little bit, but the scheduling system is still very antiquated—every 20 minutes or something of that sort. They do such things as recently closing off some exits because they are running an extra train and it is going to mean an extra man being on duty for an extra 20 minutes; but instead of that, they make 150 people, for example, on the extra train that stops at Clarkson now, file through one exit. You may have a good fast train some day, a 120-mile-an-hour train, to take them to Clarkson, but if we have aggravations in the handling of people by inept management of our facilities, we are defeating our purposes.

The whole thing here is to be sure that we have a comprehensive approach from origin to destination in the way we plan our transport; so I am looking forward to the minister's move to integrate all areas and particularly, of course, the area not under his jurisdiction, that area under the present jurisdiction of The Ministry of Transport in Ottawa, which I am sure will be ready to co-operate with the minister.

**Hon. Mr. MacNaughton:** Are you saying or would you support the philosophy that intraprovincial mechanisms of this kind in the field of transportation should be regulated by the province?

**Mr. Deacon:** I say that the federal government should make it possible for the province to integrate—

**Hon. Mr. MacNaughton:** In Toronto?

**Mr. Deacon:** —the intrarail facilities with the other facilities and I think that the province—

**Hon. Mr. MacNaughton:** We would be helped very materially along those lines if we were given the authority to regulate in this area rather than rely on the Canadian Transport Commission or its counterparts in other fields to do the regulating for us. It would help us much.



**Mr. Deacon:** And I think this is something we should perhaps press for.

**Hon. Mr. MacNaughton:** We are pressing for it now. I would like to say I cannot see any clear-cut line of success but we are pressing very hard. If you are going to do these things, I think it is important that you have some facility to regulate what goes on within your own jurisdiction—but only intraprovincial; interprovincial, extraprovincial—that is another story.

**Mr. Deacon:** But if the federal government, through its board, is a source of financial assistance to the operation and if it is co-operative, as it is, I am sure, with your air travel—the board co-operates closely with you—perhaps it can be worked where they still regulate but co-ordinate with you. The main thing is that it is time that the federal government entered and worked in this field in close co-operation with you. I just hope that you are making it abundantly clear to them that you welcome their co-operation.

**Hon. Mr. MacNaughton:** I am sure you will agree that for us to pursue the course of integration without this relationship with the federal government or the right to regulate ourselves is going to be very difficult.

**Mr. Deacon:** Virtually impossible.

**Mr. Young:** So you are now in a position where you just can use Canadian National and Canadian Pacific rights of way?

**Hon. Mr. MacNaughton:** Only by agreement—

**Mr. Young:** By agreement?

**Hon. Mr. MacNaughton:** —and that is a tortuous path.

**Mr. Young:** With the railway companies? Can you make the agreement directly to the railway companies?

**Hon. Mr. MacNaughton:** Oh yes.

**Mr. Young:** So there is no problem?

**Hon. Mr. MacNaughton:** But it has to go through the CTC.

**Mr. Young:** But it has to go through the CTC?

**Hon. Mr. MacNaughton:** Exactly.

**Mr. Young:** So you have two hurdles to overcome: one, the lines themselves and, second, the CTC.

**Hon. Mr. MacNaughton:** And the Board of Transport Commissioners or whatever it is now. This agency or whatever it is now called regulates everything that is done on the railroads.

**Mr. Young:** But I gather from what you have said in the House today that you are having real difficulty in coming to agreement with the companies themselves.

**Hon. Mr. MacNaughton:** Well, up to now it has been that way. I did say that I see a little glimmer of sunshine. I do see a little ray of hope.

**Mr. Young:** So if the companies agree with you, then it should be fairly easy to get through the other hurdles?

**Hon. Mr. MacNaughton:** Well, I would not say to the hon. member it would be that easy. We could probably hurdle some of those obstacles but then we get down to the matter of sharing of costs, and that is the real hurdle. You see, there is no input in CO-Transit from the federal government at all. All the capital costs, including the extra rails that were required to avoid the heavy mix of traffic, the signalization, the stations, the subways, the parking lots and the operational deficits are totally borne by the provincial government.

**Mr. Young:** Of course, it is back to the question—

**Hon. Mr. MacNaughton:** It is rather a deterrent to the development of some of these other rail lines, I can assure you, because it is costly as the devil.

**Mr. Young:** It goes back to the problem of actually acquiring the rail lines and then the rail lines being rented to the various people to use them.

**Hon. Mr. MacNaughton:** Oh, yes. In some way the right to use them by agreement or something. We continue our pursuits, and I get the impression, either rightly or wrongly, that we are on a little more fertile ground now.

**Mr. Young:** But you are still up against the whole problem of deficits in railway policy—

**Hon. Mr. MacNaughton:** We are limited as to what we can finance at this level. I think that is understandable. It is very costly. The capital cost is substantial. So is the cost of the rolling stock. Everything.



We pay them for ticketing. We pay the railroad crews for operating. There are the wheelage costs, for instance, in and out of Toronto Terminal Railway, for the use of the tracks within the Toronto Terminal Railway limits to bring a train into Metro Toronto, to take it through and out. We pay wheelage costs, for instance. This is all present regulation or law. Then, of course, the CN and the CP have joint running rights over the lakeshore line. That has to be all worked out. We have to accommodate these situations. It is very difficult. It is very costly.

**Mr. Young:** But on the northwest line up through to Malton, is there space there available to bus runways alongside the right of way?

**Hon. Mr. MacNaughton:** I have some doubts as to whether railroad rights-of-way would have enough to accommodate this. I would very much doubt it. It is not that wide.

**Mr. McNab:** It might if you got them up in the air.

**Mr. Young:** But they would not have to go very high.

**An hon. member:** Air cushion.

**Another hon. member:** That is what I was thinking about.

**An hon. member:** That is a possibility.

**Mr. Young:** But they would not have to go very high. They would just have to go high enough for the water to go under.

**An hon. member:** About 20 or 30 feet.

**Hon. Mr. MacNaughton:** Clear the obstructions.

**Mr. Chairman:** Mr. Singer.

**Mr. Singer:** Yes, Mr. Chairman. I was intrigued by Mr. McNab's thoughts that in five years' time we could have an air cushion type of transport. I have been interested in monorail and that sort of thing for quite some period of time, but as I understood Mr. McNab, this sort of thing would not be too helpful within the city, within the municipality.

It would be of substantial help going from Toronto to Barrie or Toronto to Malton, or that sort of thing. What particularly concerns me—and I agree that these things have to be looked at in very great depth—in light

of the recent government decision to stop the Spadina, is how long it is going to take, insofar as the department is able to guess, until some alternative means of transit, public road, what have you, is going to be provided to those people who now live in the northwest sector of Metropolitan Toronto?

There have been guesses. People like Wronski, the planning director of Metro; Mr. Cass and others—some of the elected people, Mr. Campbell and the Mayor of Toronto, the council of North York and so forth—seem to have the pretty established opinion that it is going to take another 10 to 12 years before something can be done in this area that is going to provide some method of moving people backwards and forwards from and to the northwest sector and moving goods as well.

In the meantime, there is the very grave concern of people who live on what up to now have been quiet residential streets about the new influx of vehicles. Marlee Avenue is one now that has become absolutely impossible and it is going to get worse before it gets better. What I am looking for, substantially, knowing what the government decision has been—and I have already expressed my opinion in regard to it—is what can we look forward to within the reasonable future? What kind of planning are we talking about?

**Hon. Mr. MacNaughton:** I am going to have to rely on Mr. McNab to be more specific than I can. It is understood, now that this broader authority has just recently been established that the subcommittee or the technical committee has been assigned three months to come up with something in the nature of specific recommendations.

I suppose we have to determine where those corridors are going to be, whatever mode is used, when this determination is required. This advice we hope to get from the technical co-ordinating committee. We have assigned them three months to report.

From that point on, I would presume that at the policy level, with the continuing advice of the technical people, these determinations will be made. The time factor to some extent is limited by the availability of funds and the time to construct it; to some extent it is. I cannot measure that in terms of years; maybe Mr. McNab can help me out.

**Mr. McNab:** The point I would like to clear up for Mr. Singer is that when I

spoke of the aerotrain or that type, I was not thinking of the volumes that you would anticipate on the corridor of the Allan Expressway.

**Mr. Singer:** Well, that was my understanding.

**Mr. McNab:** No, that is very true. Now as to the time it would take to build a rapid transit component in roughly that alignment, if this is what is decided, I would question very definitely the 10-year period. I would question it very definitely, with good reason.

**Mr. Singer:** Do you question it as being too short or too long?

**Mr. McNab:** I would say it is too long.

**Mr. Singer:** What would you say—

**Mr. McNab:** I would not say, sir, at this point.

**Mr. Singer:** You would not say it.

**Mr. McNab:** I would say it is substantially long if you want to pin me down.

**Mr. Singer:** Recognizing how long it took to build the Yonge Street subway to Union Station, both in the planning stage and in the construction stage, and recognizing something that is going on now—the extension of that subway from Eglinton up to Finch—that is the building, and Yonge Street has been torn up for three years now? Four years?

**Mr. McNab:** It is not 10.

**Mr. Singer:** And every step along the line there is another group of citizens who get awfully concerned. I recall the battle about whether it should go through the hollow above or below the ground and everything came to a halt while that one was resolved. Eventually, the decision was it will go below the ground, and the construction costs were substantially increased.

An alignment would be made that would be agreed upon, and that is not going to be an easy process. What kind of guess, if you are drawing plans, and you do your construction, bear in mind that the minister said the availability of money because it has to be staged—it is less than 10 years, is it? It would not be half that time; it has to be at least somewhere between five and 10, does it not?

**Mr. McNab:** Not necessarily.

**Mr. Singer:** Not necessarily?

**Mr. McNab:** I will say this, if I may.

**Mr. Singer:** Of course.

**Mr. McNab:** I think really you are relating the experience on the Yonge Street subway to what is going to happen on the Spadina corridor. Now, there is a great deal more emphasis on an acceptance to the subway, and I think the minister stated that on Thursday he expects to be making a statement in this regard. I think this will clarify the government's position, and also might have a great deal to do with the speed at which it can be undertaken.

**Mr. Young:** You have enough contractors, you have enough men, you have enough machines to start in a half dozen places and build the thing very fast if you had the capital.

**Hon. Mr. MacNaughton:** The trouble is we had no money.

**Mr. Young:** Yes.

**Hon. Mr. MacNaughton:** It is a very important ingredient, that money stuff.

**Mr. Singer:** The people in Sudbury and North Bay and all around also want some of this provincial money. It is not all going to go into Toronto.

**Mr. Stokes:** No, that is not fair.

**Mr. McNab:** That is the beauty of our transit development. These are made and designed to apply wherever urban transit is required, no matter what municipality.

**Mr. Young:** Maybe Phil Givens will bring some of it with him.

**Mr. Singer:** I was told, and I think these figures are accurate, that since 1953 there has been about one half billion dollars spent on rapid transit within the borders of Metropolitan Toronto, and it was in that same period of time that there has been no real increase in the number of people using that rapid transit; and if there is any substantial increase it is going to be expected that it gets up to Finch and it becomes operational. Very very shortly the Yonge Street subway is going to be operating to capacity—

**An hon. member:** Absolutely.

**Mr. Singer:** Is that correct?

**Mr. McNab:** Yes.

**Mr. Singer:** So with that in mind, the kind of input in money, to start all over again from the beginning almost staggers one's imagination, if you are going to provide transportation in the northwest borough—

**Mr. McNab:** Well, of course, you know—

**Mr. Singer:** —to be of any effective use.

**Mr. McNab:** —quite a bit of the planning has gone into the collection of the raw data. They are not starting from scratch. I think the TTC has a staff of 157 designers who are one of the best teams, because insofar as population is concerned there has been more subway built in Metropolitan Toronto in the last decade than any place else in the—

**Mr. Singer:** That is right. So with all that building and all that money it is just about operating to capacity and the number of people carried by public transit has not greatly increased.

**Mr. Martel:** Stop Toronto from growing and send some of the industry north. No problem.

**Hon. Mr. MacNaughton:** The Toronto-centred region plan?

**Mr. Martel:** No, not the Toronto-centred region plan, that is too close to the south to suit me. All the way north.

**Mr. Chairman:** Has the member for Downsview finalized his remarks?

**Mr. Singer:** Yes, I think I have made my point as far as I can.

**Hon. Mr. MacNaughton:** No, not quite. You have made your point, but you have not made our point.

Interjections by hon. members.

**Mr. Chairman:** Mr. Haggerty has the floor.

**Mr. R. Haggerty (Welland South):** Are you going vote-by-vote, 1, 2, 3, or just generally?

**Mr. Chairman:** We were going to try and continue on the vote basis for The Department of Transport.

**Mr. Haggerty:** This just deals with the toll bridge collection, Mr. Chairman.

**Mr. Chairman:** This matter would be in the highways estimates.

**Mr. Haggerty:** Well you are dealing with the department's administration programme are you not?

**Hon. Mr. MacNaughton:** No, but this is The Department of Transport. We are dealing with these estimates as they were printed before the merger.

There will be an opportunity for that when we come to the highways estimates where they are shown separately.

**Mr. Young:** Where do we deal with air transport?

**Hon. Mr. MacNaughton:** Air transport?

**Mr. Young:** Mr. Chairman, which vote? This vote?

**Hon. Mr. MacNaughton:** It is in vote 2305.

**Mr. Young:** Vote 2305.

**Hon. Mr. MacNaughton:** Transportation programme.

**Mr. Young:** All right. I will wait for that.

**Mr. Chairman:** Vote 2301 carried?

**Mr. Martel:** No, Mr. Chairman, I have several things.

I want to go back to a question that was raised in the House several weeks ago relating to the problems that we are having with respect to the services terminated by the CNR in northern Ontario.

This has really been detrimental to a large number of tourist operators and certainly detrimental to the availability of transportation to and from the north. This is the discontinuance of trains 107, 108.

I want to know what the government did, Mr. Minister, in the month of December and particularly the month of January when all sorts of people were making pleas.

I wrote the Minister of Tourism and Information (Mr. Guindon) for example for information on the number of tourists that would be affected and I got the letter dated January 24 with the information I requested, seven days before the trains were terminated.

There was no real assistance from the government for us to try and make a case on behalf of the number of tourist outfitters who were going to be adversely affected.

I contacted the Minister of Mines and Northern Affairs (Mr. Bernier) because certainly he had indicated—and I have this clipping of January 16 while I was in North Bay saying the services had to be expanded transportation services for people using rail at their disposal. All I could get out of him



after two or three letters was a copy of a telegram which he sent to the federal minister. Now the train has been replaced and they have got a one-car operation from Capreol to Nakina. I have already indicated to Mr. Jamieson that within six months the CNR will be able to take that off. There will be no problem for the CNR because all the people from Capreol to Nakina are on passes. There is no train to pick passengers up going to Toronto or collecting the people going to the various tourist camps and so on or from Ottawa.

Within six months they will make representation to the CTC and that service will be gone simply because there is no revenue. It does not take much planning to realize when you start from Capreol and go to Nakina—in fact it does not even go to the Manitoba border so you have, from Nakina all the way to the Manitoba border tourist operators with a service that stops only every other day.

One only has to realize that the one train left, which is supposed to be the Super Continental, is being turned into a milk run which will eventually see people abandoning its use as well.

All of those tourist outfitters west of Nakina just do not have any facilities—except every second day. I would like to know what the representations were by the government, the Ontario government, to try and prevent this.

**Hon. Mr. MacNaughton:** I am going to ask Mr. Foley to comment on that in a moment but I think I am right—and I made a reference to this before—that most of these applications for abandonment are based on the matter of whether it is profitable or otherwise.

I make this observation. If they determined some of these things as our highway transport does on a basis of public necessity and convenience, it would be a good start, but I do not know whether the terms of reference of the board permit that. I doubt very much if they do, but maybe Mr. Foley can enlighten us here.

**Mr. Stokes:** Before he does, I would like to differentiate between an abandonment and a reduction in service. This is what happened here and they do not have to make application.

**Hon. Mr. MacNaughton:** No, they do not in that instance.

**Mr. Stokes:** All they have to do is reduce the service and, of course, as my colleague says, they reduce it to the extent that people do not wish to travel on it. It does not meet the needs and as I say, people are driven away from it because it does not meet their needs, so they are quite able to effect a reduction in service, without making application for abandonment.

**Hon. Mr. MacNaughton:** Maybe I will put this another way. I touched on it in the House the other day, whether I am right or not. It is not difficult to prove operational loss if you gradually reduce the service.

**Mr. Deacon:** Run your trains a day and a half late.

**Hon. Mr. MacNaughton:** That is one of the problems.

**Mr. Martel:** They started this two and a half years ago when they removed sleepers.

**Hon. Mr. MacNaughton:** That is the problem of having to appeal for an abandonment first, on the basis that they do. And if they did it on some kind of a show-cause basis first and it was related to public necessity and a convenience in some form or another, then I think we would probably be approaching it—

**Mr. Stokes:** So it is—

**Hon. Mr. MacNaughton:** Let us hear from Mr. Foley. He has been involved in some of the—

**Mr. K. W. Foley** (Director, Economic Analysis Branch): Perhaps I would agree with both of your points, in that the question at issue really is the mechanism that is provided by the federal government for the railways to reduce service, discontinue service, however you want to talk about it.

Section 314 of that Act states that it is not a passenger train service, regardless of what it carries, until the federal government commission declares it as such. The trains you are talking about are really the old CN Panorama trains. On that same line, they run another set of trains which are called the Super Continental.

The federal government's commission has defined passenger train service as the last passenger train service on a particular run.

So long as Continental is still operating, trains 107, 108, seven and eight, are not the

last passenger trains on that route. Therefore, they are not a passenger train service under the Act. Therefore, the railway companies do not have to apply for discontinuance of those services. They can simply discontinue them any time they wish to on notification.

When they notified us that they were going to discontinue these trains at a certain date, we opposed, in front of the commission as best we can when, in fact, there is no legal place to go before the commission, because there is no discontinuance. We did protest to Mr. David Jones, who is the chairman of the railway transport committee, and indicated that it was not only an unfeasible situation to discontinue these trains, but that the Super Continental did not offer a viable alternative insofar as schedules were not compatible. You would have to leave some areas at midnight and come back the next day to do normal shopping or take a tourist trip, or whatever business you had down the railway.

As a result, they did go to a certain extent, which they do not have to do by law and which is probably unsatisfactory to the people using this service, but they did ask for a certain amount of service to be provided in the interim so that they could see what would happen. That is the mixed train that you are currently talking about. I think this points out what the minister said earlier, that one of the problems, of course, in looking at passenger train services, as it is defined under the Act, the CTC and the railway transport committee have to relate to the Act as it is declared in 1967, as it was proclaimed. What we have put before the federal government at a number of occasions and at every hearing that it does have is that there is a requirement to define a service, that it will not go below a minimum passenger service for the Province of Ontario.

This, of course, was one of the areas where we did define there should be a level

of service which would not be dictated by section 314 of that Act. The railway transport committee has replied in the statement that that is not within its terms of competence, that it would be violating the terms of the Act to do so, that it must wait for the railways bring a town abandonment in front of it and it deals with it according to law. So, I think the minister's earlier statement, about the CTC not being an appropriate form to deal with a level of service for the whole of the province through all of those areas where passenger train services are required but may not be economic, would be in front of the federal Department of Transport rather than the mechanisms that are provided through the 1967 Act.

**Mr. Martel:** How much truth is there in the fact that it became uneconomic to operate that train? Was it when they lost the mail contracts? That is really what was keeping that train in existence and, as I understand it, it was sent to tender and trucking firms got it rather than the CNR.

**Mr. Foley:** Prior to the implementation of any of the passenger trains' discontinuances under the Act, the federal government held a series of hearings which went over about eight months on costing, and the elements of costs and revenues that you bring into it, in terms of mail and express cargo. Some of them were milk runs where they, in fact, carried dairy products from farms, and so on. These were all disallowed as revenue and cost items in the passenger train service and have since been largely taken off the passenger trains and put on runs where they can and, of course—

**Mr. Martel:** Well, how about that?

**Mr. Foley:** —therefore, do not influence that pricing and costing mechanisms at all.

It being 6 o'clock, p.m., the committee took recess.

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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

**Estimates, Department of Transportation  
and Communications**

**Chairman: Mr. M. Hamilton**

**OFFICIAL REPORT — DAILY EDITION**

**Fourth Session of the Twenty-Eighth Legislature**

**Monday, June 21, 1971**

**Evening Session**

**Speaker: Honourable Fred McIntosh Cass, Q.C.**

**Clerk: Roderick Lewis, Q.C.**

**THE QUEEN'S PRINTER  
TORONTO  
1971**



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## LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JUNE 21, 1971

The committee met at 8:10 o'clock, p.m. in committee room No. 1.

ESTIMATES, DEPARTMENT OF  
TRANSPORTATION AND  
COMMUNICATIONS

(continued)

On vote 2301.

**Mr. Chairman:** Vote 2301, Mr. Stokes.

**Mr. J. E. Stokes** (Thunder Bay): Thank you, Mr. Chairman. I would like, if I can, to go back to something we were discussing just before the dinner hour. I am wondering if the minister and his department are aware of what is going on. I think the minister, or at least those who were with The Department of Transport—in particular Mr. Duncan—are aware of a statement that was issued by the Canadian Transport Commission on April 14, 1971, concerning the integration of transcontinental passenger trains—the Canadian on the Canadian Pacific, and the Super Continental—where it is alleged that, combined, they lost about \$24 million. They sent out a notice to all and sundry—I got a copy of it; I am sure The Department of Transport got a copy of it—I am only going to read the last paragraph. It says:

In order to ensure that all possible methods of integration are considered, the commission invites suggestions from the public on ways in which such a system might best be developed and operated. Such suggestions dealing with national or regional aspects of the system should be submitted in writing by May 31, 1971, addressed to the secretary of the Canadian Transport Commission.

Since a good deal of the mileage on the two main lines of the Canadian Pacific and the Canadian National Railways is in Ontario, I am wondering whether any submission has been made with regard to the province's position to an integration or a curtailment of services on the last two transcontinental trains we had in Canada.

**Hon. C. S. MacNaughton** (Minister of Transportation and Communications): Mr.

Chairman, I am going to ask Mr. Foley again to deal with that matter, if he will.

**Mr. K. W. Foley** (Director, Economic Analysis Branch): Yes, a submission has been made. As you probably recall, the federal government much earlier on in the year called a special hearing, which Mr. Pickersgill chaired, to deal with the subject of the discontinuance, or the application that the Canadian Pacific presented them in terms of the Canadian which was the CPR train.

At that point in time we asked Mr. Pickersgill if he would consider looking at both of these railways as a joint application—that you really could not look at the CPR's application for discontinuance without examining what the CNR intended to do. At that time he indicated that he did not see that as a viable opportunity for him.

Subsequent to that, the CNR did come in with an application to discontinue their transcontinental train and that brought the whole thing before the court. The Canadian Transport Commission suggested that both of these railways will continue and they asked them for various submissions.

We did make a submission, indicating (a) that the transcontinental services must be maintained; and (b) that there was a number of areas where local services were required and that these services could not be provided by the transcontinental.

**Mr. Stokes:** Yes. Are you aware that at the present time the Canadian Pacific's remaining transcontinental train, the Canadian, is operating out of Union Station down here with 10 cars; two and a half of them are sleepers—two full sleepers and the part car. Its counterpart leaving Montreal is operating in the same fashion. They amalgamate them in Sudbury and the train goes from Sudbury to Vancouver with 10 cars.

Now anybody with any railroad experience knows that a two-unit diesel or at most a three-unit diesel can operate anywhere from 18 to 21 cars, which would provide double the sleeping car space that the train that is operating now provides. I, personally last weekend, was contacted by eight people here



in Toronto who could not get on that train for the lack of space.

I am wondering does your department know this is going on? I commend to the reading of this department, if they have not already read it, this little booklet "Right of Way." It is put out by the Canadian transportation union.

It documents very well what has taken place with regard to driving people from the rails, starting back many, many years ago, culminating in the taking off of the Dominion on the Canadian Pacific and now the Panorama on the Canadian National. I think that it is quite obvious what is going on. I just want to read one paragraph from this book in case you are not aware:

When the commission issued its decision on January 29, 1971, it allowed the CPR to take a couple of those steps. It rejected the railway's proposal to cut the Canadian to three times a week in the off-season but disclaimed jurisdiction over the question of whether or not dining and sleep car services would be provided on the train. The effect of this was to give Canadian Pacific the green light to go ahead and drop those services on the Canadian as it did on the Dominion in 1965, just a few months before the train was abandoned. As if to give the CPR a little extra nudge, the commission informed the railway that losses on those services would eventually be made ineligible for subsidy.

It seems to be quite obvious to anybody who knows anything about the railroad game that you cannot operate a half a train and make any money. If you are going to continue to deny people the right to get on the train, obviously they are going to reach a point where they will say "I am just completely fed up" and they will look for other means of transportation.

The minister has said on several occasions in the House, I think in reference to the Owen Sound and the Guelph applications, that the public must demonstrate a willingness to use that facility. But obviously there is a responsibility on the carrier to make the service such that there is accommodation available to them and accommodation of a nature that is going to attract people to that train. I submit that that is not happening at the present time.

I am wondering if in your intervention, did you bring this to their attention or were you aware of it?

**Mr. Foley:** To answer the last question first. We are aware of what is happening to the makeup of the Canadian and the Super Continental to some extent. In fact the Canadian Pacific's desire to begin with was to cut the makeup of that train. I might point out, however, that the federal government, through Mr. Pickersgill in his deliberations on that hearing, in fact asked Canadian Pacific Rail to seek ways in which they could eliminate the dining car and sleeper costs as they were being borne by the federal government under a future subsidy of 80 per cent. It seems that the railways have obeyed his direction and sought ways in which to cut the costs, basically by cutting the makeup to the minimum level at which they can operate a sleeping and dining car service.

**Mr. Stokes:** It must be quite obvious to you, and I hope you did not buy that argument from—

**Mr. Foley:** Sir, we have suggested—

**Mr. Stokes:** I hope you did not buy that argument? Because the thing is if you have 100 people who want to use the service and because of the nature of that service it is losing you money, you do not go and cut the service in half. You improve the quality of the service because there are still as many people who want to use it. All you have to do is make it attractive and available and they will use it.

As I say, I hope you will not fall for it.

Now there is one other matter I want to bring to your attention.

**Hon. Mr. MacNaughton:** It does not matter whether or not we fall for it. We can object all we like, but if Mr. Pickersgill says "No" or "Yes," this is where the control is.

**Mr. Stokes:** I think we all know where Mr. Pickersgill's allegiances are and where they have been for a good long while.

**Mr. M. Gaunt (Huron-Bruce):** Is there any chance of getting him appointed to the Senate and relieving him of this job? I thought you might make representation.

**Hon. Mr. MacNaughton:** I do not think they would be listened to. That would not be a good recommendation.

**Mr. F. Young (Yorkview):** He created a job for himself and—

**Mr. E. W. Sopha** (Sudbury): He makes \$50,000. He will not go to the Senate.

**Mr. E. W. Martel** (Sudbury East): He is not stupid. He did not want to go there to begin with.

**Mr. Stokes:** I have one other matter I want to bring—

**Hon. Mr. MacNaughton:** That is what is going on here, I say to the hon. member for Sudbury; if somebody would move that that salary be reduced to the sum of \$1, I am sure he would—

**Mr. Stokes:** There is one other matter I want to bring to the attention of the department, Mr. Chairman. That is another application of Canadian Pacific Rail to the Transport Commission re expanded CPR customer services at Sudbury, Ontario, on the Schreiber division. This application was filed on May 12, 1971, addressed to C. W. Rump who is secretary of that august body.

The effect of this application would be to provide a telephone hook-up for people living along 550 miles of rail, and it will effectively cut out agents at Cartier, Chapleau, Missanabie, Franz, White River, Marathon, Terrace Bay, Schreiber, Nipigon, Red Rock, Manitouwadge and Ramsay, and at caretaker points at Sultan, Heron Bay, Dorion and Biscotasing.

There has also been a joint approach with reference to the removal of an agency at Manitouwadge.

Has the department gone into this and found the effect it is going to have on all of those communities I have mentioned? Have you assured yourself that the service they anticipate will be equal to or better than the service that is being provided at the present time?

**Mr. Foley:** I cannot guarantee because I am not familiar with each one of these, but both railways began a whole process about a year and a half ago. The CNR called it, I think, the customer service centre, and the CP call it their servo-centre. They are eliminating agents and so on.

As a practice, we are examining each and every one of these, and in many cases we found that this is a very practical way to go about servicing the express freight needs and other needs of that area. In some cases, we have found that it is just impractical.

In most cases, what they have are 11 of what they call customer representatives, who

cover the field through radio-equipped vehicles and so on. In some cases, we have found that they simply cannot do the job and they are not likely to do the job and areas will suffer. In those cases, we have indicated to the commission that we simply would not go along with agents being withdrawn from particular areas.

As I say, in this one particular area, the one that you bring up, I am not sure exactly what the position is at this point in time. I am aware that we have checked, if not every one of these, most of these, and I can check into this.

**Mr. Stokes:** Thank you.

**Mr. Chairman:** Yes, Mr. Martel.

**Mr. Martel:** I think sometimes they not only deliberately kill that, but kill everything that is profitable.

The CPR today is sending pharmaceutical stuff from Ottawa which used to go directly from Ottawa to Sudbury. It now goes from Ottawa to Montreal; is transferred there and comes to Toronto, then goes back to Sudbury rather than the direct route straight from Ottawa. I sometimes wonder just what the incompetency level is in some of those people.

They are doing the same thing in the CNR. They have centralized. Nine years ago they took everything out of North Bay; they took it to Capreol and they are now—or they decentralized and all those people moved. They had to purchase new homes, and now they are centralizing again and are bringing them all back to Toronto. Again these people, the same people, have to sell their homes and make another move, the third one in the last nine or 10 years.

I just wonder where the concept of people and the needs of people come in to this whole rat race.

**Hon. Mr. MacNaughton:** I wish I could provide you with the answer.

**Mr. Martel:** The other point I wanted to bring up if I could—I sent this book to the deputy minister and he indicated they were investigating it to see the development in Munich. It is not very often I read International Nickel's book, but once in a while they have a fairly good article in their book. Some time ago they had this one on—

**Hon. Mr. MacNaughton:** You should always read it!



**Mr. Martel:** I just want to see if they are going to run me down but they never do! Since 1966, the planning of this one man in particular, Dr. Foss Ziniarck I guess, has taken that from sheer bedlam to be in a position by the time the Olympics roll round in 1972 to have, apparently, one of the best integrated transportation systems in the whole world, using ring roads—four of them I understand—various other routes and a variety of transportation means—car, subway, and so on.

I am wondering how closely—and I say that because of all the wonderful things we have heard of going on this afternoon. I do not see too much of the new type of equipment in their proposal.

I could be wrong, but when it is right down to basics they seem to have been able to resolve, by and large, their transportation problem and, as I understand it, are moving something like 300,000 people per hour. Has the department taken a look, sent people over to observe this first-hand, and what are the results?

**Mr. McNab:** We think they are very promising. As I pointed out, I have more personal knowledge of what is going on. It is a similar type of situation in Hamburg, and also in Stockholm. I think when you look at the situation in Munich in preparation for the Olympic Games, it comes into a little different focus. It can be compared quite a bit with what went on in Tokyo and to a lesser degree, or maybe the same degree, with what went on in Montreal at the time of Expo.

Tremendous amounts of federal money were put into these systems for these special international events. Frankfurt also is developing a service system, but all of these systems are making the best use of what they have available now and they will be in the forefront of these new modes.

**Mr. Martel:** Yes, but despite the money, the very fact that they have been able to plan it out! The very fact that they have been able to plan it out! They are further ahead even in that field without us spending the money. They have taken it from the drawing board in about five years and made it a reality. I realize the reason they got the funds was for the international games and so on. But we have not gone to the drawing board, really, have we?

**Mr. McNab:** Yes, but if you have a definite target in front of you, that you are going

to have a certain situation, you are going to have certain moneys—

**Mr. Martel:** We do.

**Mr. McNab:** —and you can go to every—

**Mr. Martel:** We do have a target. We have people trying to move back and forth every day of their life, and that should be a target. To improve that quality of life. Sitting out on the highway for an hour—I am sure you must face it occasionally?

**Mr. McNab:** Yes.

**Mr. Martel:** It must get pretty frustrating, day in, day out.

**Mr. McNab:** I am quite sure, and I have seen traffic jams and congestion in many of the European cities that were mentioned here. This is a situation that is confronting every one of the western cities, and they are all attacking it.

When you travel in Europe and discuss transit, and I say this in all sincerity, one of the places that has the best reputation in this field is the Metropolitan area and I am not being paid by Metro. But this is a fact and I am quite sure that people who have travelled here will tell you the same thing.

**Mr. Martel:** We do not have a big city in Sudbury but I can assure you that it has to be the world's worst because it takes almost an hour to get through the city of Sudbury today from one end to the other. It is that bad, as the deputy minister is well aware.

There has certainly got to be some pretty rapid solutions to the problems in the Sudbury area, taking that as another metropolitan area, to resolve the problems there because they are certainly not getting any better.

**Hon. Mr. MacNaughton:** There has to be a real desire on all sides to come to grips with these things.

**Mr. Young:** What you are saying is that, particularly in the Sudbury area, in the city there is a desire. But there is no desire at the top level of government where we look for massive injection of funds.

I think what the hon. member for Sudbury East is getting at is that all right. Munich has a deadline for the Olympic Games of a certain date, but here, in Ontario, we say we are now stopping the construction of expressways, but should we not then say that, as of five, seven years from now, we are going to have this kind of a transport system actually working in operation? That is our deadline.



**Mr. McNab:** I think the minister covered that earlier today when he said on the one particular project they have given him three months to come up with this. At the same time, for the entire metropolitan area, going beyond the metropolitan boroughs, but more than is covered with the Toronto-centred region, within a year and a half or two years a master plan will be ready on the integrated basis.

**Mr. Young:** If we can set that kind of deadline, that is the need that we go on and on and on, but if we do set deadlines and then sell our people on those deadlines and get co-operation all along the line, then we can reach them and work toward those deadlines. An Olympic Games situation is one which is dramatic and which we can see and which captures the imagination perhaps of the federal administration.

**Mr. McNab:** It is going to cost them a substantial figure, about two to three billion dollars in preparation for this thing. Now that is not just the transportation system.

**Mr. Young:** Montreal did it and spent an awful raft of federal funds as well as provincial.

**Hon. Mr. MacNaughton:** Well I would suggest that if we had a target like that in Metropolitan Toronto, with Olympic Games coming or some other feature like that, and a massive infusion in funds, I think that we could do it a lot faster and we would probably accomplish it too.

**Mr. Young:** Hmmm!

**Hon. Mr. MacNaughton:** But we need—

**Mr. Young:** But does it need that kind of thing for action?

**Hon. Mr. MacNaughton:** Well, it needs—

Interjection by an hon. member.

**Hon. Mr. MacNaughton:** No, but I use that example. I use the same examples that you have used. It still has to be done, but you are restricted by available funds. There is no question about that. If the federal government wants to participate with us and give us the infusion of funds that have been denied up until now—it has even cut off support in Ontario for the Trans-Canada Highway. It has cut it off.

**Mr. Young:** Sheer blindness!

**Hon. Mr. MacNaughton:** They are not doing that in other jurisdictions, why should they single us out here? Why should they do that? They have cut off our funds for the Trans-Canada Highway. Whatever is left to be done, they will have to go alone.

**Mr. Stokes:** They should take it all over. That is their responsibility.

**Hon. Mr. MacNaughton:** It has been 50-50 and that is not as good as the other jurisdictions have had either. We have not complained about it. We are probably better able to pick up our 50 per cent share, but others get more than we do for Trans-Canada Highway.

**Mr. Martel:** In the United States—

**Hon. Mr. MacNaughton:** It is fair enough to say that right now, too.

**Mr. Martel:** In the United States on the interstate highways is it not 75-25?

**Hon. Mr. MacNaughton:** It is 90-10.

**Mr. Martel:** Ninety-ten?

**Hon. Mr. MacNaughton:** Ninety-ten. They do take a bigger bite out of the gasoline tax revenues—they get a better revenue than we do but nevertheless, they are interstate highways and interstate highways are 90 per cent federal.

**An hon. member:** They get a bigger slice of the gasoline tax.

**Hon. Mr. MacNaughton:** They do take more yes.

**Mr. Young:** They give more of it back, in the United States, with a very large participation in municipal projects of all kinds; not so much state, of course, but very extensive. Volpe is announcing new undertakings every day.

**Hon. Mr. MacNaughton:** We are talking about one department here and high priorities as far as government participation in anything goes, but there are other things that require funding and financing too. I think that statement should be made.

**Mr. Young:** Except this is now a dramatic thing.

**Hon. Mr. MacNaughton:** No question about it.

**Mr. Young:** People are conscious of it and people will be willing, I think, at this point to meet some sort of a dramatic challenge.

**Hon. Mr. MacNaughton:** I am sure they would.

**Mr. Young:** Because the Prime Minister has made a dramatic move and now people are waiting for the dramatic response.

**Hon. Mr. MacNaughton:** That is right.

**Mr. Young:** And I think that people will be willing to accept the challenge at this point.

**Hon. Mr. MacNaughton:** I think so. I agree. It still requires funds.

**Mr. Martel:** You can sell empty beer bottles.

**Mr. Gaunt:** Mr. Chairman, I just wanted to make a few comments about the costing—

**An hon. member:** It is not necessary for us to go that far!

**Mr. Gaunt:** —costing that goes into the briefs that are presented by the railway companies. I think they have a formula that is based on a system called regressional cost analysis. It seems to me, if I understand the mechanics and the accounting properly, it is rather a ludicrous system to make to a judgement as to whether one line is losing as opposed to another line. As I understand the system, if someone in Wingham buys a ticket for Halifax the revenue from that ticket sale is not applied against that line, but is spread all the way across the line, including the Halifax line. That is the way I understand it.

It seems to me that it is not only hard to follow and to sort out the figures, but the validity of that type of costing analysis, I think, leaves something to be desired. I gather it was arrived at—perhaps Mr. Foley could correct me—through the normal hearing channels. The Canadian Transport Commission, plus the railway companies and other interested parties, sat down and went over the costing figures which were presented by the railway companies and agreed on some type of sop—I guess that is what it really amounted to—with respect to that.

But it seems to me that when one looks at the figures associated with the finances of these companies as they operate on individual lines, that many of these losses are managed losses. They actually manage the loss through this type of regressional cost analysis formula they have, whereby they could make the operation look pretty bad and so they say, “Look, we are losing all this money, how can we possibly carry on?”

The commission takes a look at it and shake their head and say, “That is right, how can you possibly carry on?” and away we go.

Just on that point, has the department ever made any serious attempt to have that costing formula changed?

**Hon. Mr. MacNaughton:** We have examined all the costing figures and again, Mr. Foley, you might tell us what action is taken beyond that, but we do examine all these costing orders in some detail, do we not?

**Mr. Foley:** In 1968, when the federal government decided to implement that part of The National Transportation Act, they called a conference in Ottawa to deal with railway costing and it took the form of a hearing, much the same as any discontinuance hearing. At that point, all 10 provinces in Canada presented a joint submission.

I remember correctly, it went on for about one year. We employed all kinds of consultants and all kinds of staff people and pages and pages and volumes and volumes of testimony. The Canadian Transport Commission then presented an order, which they call a costing order, and those are the rules under which railway companies will cost passenger train discontinuances, freight rates, or anything else that comes under The National Transportation Act.

When you indicated that we participated in that, we did. We have a tremendous amount to say about how you should apply regression analysis, what areas should be directly costed, what should be assigned and so on, and there are many areas of the costing order where we will agree.

There are—I should not say an equal number, but there are a number of areas in the costing order where we do not agree with the way that costs are assigned. These largely relate to overhead station costs, some assignment of station crew costs and picketing expenses. In those areas, we feel the costs are overstated. But there are a number of areas where we do feel that the costing techniques are the best state of the art that we have today.

**Mr. Gaunt:** Well, for instance, with respect to the example I used, where a person, let us say, in Wingham, buys a ticket in Wingham to go to Halifax. Should that revenue through the sale of that ticket in Wingham be spread over that entire line, all the way to Halifax?



**Mr. Foley:** There are a number of elements in that question. One is that the front-end load of cost is really on whoever sells the ticket—station reservation costs are at the point of sale—and it is true and it is easily presentable to show that the costs of carrying that passenger in fact are shared on all of those lines. Some capacity has to be provided to take them from Toronto to Montreal and on to Halifax.

The question of the revenue split and the formula of how you split that revenue is a very real one, and in all cases we do not agree with how they share the revenues. But we do agree basically that there is an element of cost that should have some revenue appropriated to it over that question.

The real question comes up whether you want to talk about a discontinuance of that train or not and if in fact the revenue will not be realized if you discontinue the train, then there is no point in assessing it against other costs because they will carry on regardless of whether you discontinue the train or not.

**Mr. Gaunt:** Accepting the proposition that spreading it over the entire line is a valid proposition, it then becomes a question of the weighting of that revenue. You put it in terms of front-end load. Certainly the biggest front-end load is at the point of sale. It seems to me that as you move on down the line, that dwindles to almost non-existence upon reaching the destination. Are you saying that the way it is set up now, the weighting is actually in favour of the final destination route rather than the route of sale?

**Mr. Foley:** I think all we would say in that case is the revenue apportionment formula is pretty fair in most cases. What happens, though, if you discontinued the service between Wingham and Toronto, there would be no revenue available for the train that is going on between Toronto and Halifax; so it is not appropriate to assess those costs if you are going to lose all the revenue.

**Mr. Gaunt:** And in fact this happens, because these trains are discontinued on a piecemeal basis. They will chop one out of here and you have a void there. This is a real possibility. There is no overall planning and rationale associated with any particular application to discontinue. It is looked at on the basis of how much money they are losing, whether in fact a demonstrated

need can be conjured up on the part of the local people and so on, even in—I was going to say—even in a remote case where the line just is not such that it would pay at any point in time; then they immediately say, "Okay, we will cut it off."

That raises another point I was wondering about. It seems to me that in these applications to discontinue, one of the points that is always brought up in the evidence which is forthcoming at the hearing is the fact that there are alternative modes of transportation available. In the one case with which I am particularly familiar, that alternative—aside, of course, from the highways and the motor car—was bus transportation. The commission said in effect, "Okay, we really do not see any need for the passenger services to continue in this part of the country, because it is obvious that people are not using them anyway. Furthermore the bus lines operate reasonable schedules into all areas." But making that judgement is not really in their sphere of jurisdiction. They have no jurisdiction over the bus lines whatsoever to maintain standards of equipment or over the rates that they charge—none whatsoever. The day after discontinuance the bus line operator can say, "I do not know whether this is going to pay or not. I think we will cut it down to three days a week from a daily service." The Canadian Transport Commission has no jurisdiction whatsoever to move in and say, "No, you do not. You have got to provide the daily service."

**Mr. Young:** With a monopoly they can raise the rates also.

**Mr. Gaunt:** The bus lines? Yes, indeed, and often do. In our experience they have either raised the rates rather dramatically or have taken the buses off altogether. My point is simply this: Part of the reasoning behind the Canadian Transport Commission's decision is often an alternative service over which they have no jurisdiction and they should not be taking that into account in any way, shape or form. It seems to me that point is most unreasonable. I really cannot see why they do that or should do it in any application to discontinue.

There is only one other point that I want to make in this regard, and it has to do with the show-cause. I agree with the minister wholeheartedly; I feel that it is a bad system whereby the railways have to apply for discontinuance in order to get the subsidy, even though they may not want to discontinue.



But in order to get the subsidy, they have to make application to discontinue and the commission in the normal course may say, "Okay, you take the trains off," and this is even more than they expected. They get more than they expected on these applications.

I have not talked to any of the head people in CNR about this matter, but I did have occasion to meet with some of the key people in the CPR, namely the vice-president for the Ontario region and some of his key people. I do not think I am betraying any confidence when I say that he felt the same way. He felt that there was no point in having the Act drawn in such a way that forced the companies to make application for discontinuance when in fact they were only after the subsidy and were quite prepared to continue the service provided they got the 80 per cent subsidy. I think in effect it is a farce.

I think the Canadian Transport Commission Act has to be amended in that regard; I just do not think we can tolerate that kind of situation. So I hope the minister—I know he will, because he understands the problem and I want to underline that we, as a province, have to make the strongest possible representations to the government, to the Premier (Mr. Davis) to get some of these things changed because they are vital to Ontario as a province. They affect our high-way expenditures, they have so many spillover implications when these things happen. We have a tremendous stake in these things.

**Mr. Young:** Tell Mr. Trudeau you will not support him next time if he does this, then you will have some leverage.

**Mr. Gaunt:** I am going to tell Pickersgill I am not going to support him.

**Mr. Martel:** He is not worried about your support.

**Mr. Young:** He does not care.

**Mr. Gaunt:** I am going to make representation to have him shifted to the Senate. We will go up together.

**Mr. Chairman:** Vote 2301 carried?

Interjections by hon. members.

**Mr. Gaunt:** It is better to put him in the Senate where he cannot do very much damage than have him in here.

**Hon. Mr. MacNaughton:** How would it be if I send him a copy of this Hansard?

**Mr. Gaunt:** Well, all right, you send him a copy of the Hansard because he knows my feelings anyway; it will not be any great surprise to him, I am sure.

**Hon. Mr. MacNaughton:** You are on the right track. There is no use talking to anybody but the government on this. The Act has to be changed to permit what we think should be done to be done, and that has to be done at the government level, through the minister.

**Mr. D. M. Deacon (York Centre):** The Act was set up to move wheat through the west; it was not to move people through the country. That is the trouble, and it has to be changed.

**Mr. Chairman:** Do you have further comments, Mr. Deacon?

**Mr. Deacon:** Yes, I just wanted to ask the minister what he has done to let the people of Ontario know the pressure that he has been exerting and the moves he has been urging on Ottawa to correct these matters. I know they are federal responsibilities, but there seems to be a singular silence on the part of the provincial government so far as the public is concerned with regard to its position on these matters. I think that I would like to hear the minister speak out loud and clear on the issue on many occasions and we would back him up.

**Mr. N. Whitney (Prince Edward-Lennox):** You cannot completely impede power. You know that. If he said what he thought, he would be playing politics; that is what you would say. Therefore he has to be very quiet in order to do what he can—

**Mr. Deacon:** Mr. Chairman, I just suggest that the minister tries it and he will find out where the support lies.

**Mr. Whitney:** —to accomplish things.

**Mr. Sopha:** You are right, Norris. You give it to them.

**Mr. Chairman:** Yes, Mr. Makarchuk.

**Mr. M. Makarchuk (Brantford):** On the same point, this is the case where a railway, instead of trying to deactivate a line, has an application in to reactivate the line. I am referring to the Lake Erie and Northern Rail-

way Company, which I presume or believe is a subsidiary of Canadian Pacific Railway. This is related to the Brantford Expressway, and I understand the city has expropriated the property or plans to expropriate the property, and the railway has filed an intervention on their behalf before the Canadian Transport Commission asking for authority to rehabilitate this line.

I talked to some of the people in your department and they said there really is no problem, but it seems to me that the railway has not taken any action. I have a letter here from the railways, indicating that they are taking action before the Board of Transport Commissioners to rehabilitate this particular line. This would not be the place to discuss the relation to the expressway I presume, but my concern here is that with the development of the Nanticoke area this particular railbed may be of some value as a rapid transit system in the future, assuming that Brantford could become the residential centre for the industrial development that would be happening to the south of the city. Perhaps instead of objecting to it you should take another examination of the whole situation. And perhaps in this case where the company is trying to reactivate it—and I am sure not in the interests of passengers but in view of the potential freight that may develop in that new steel company plant that will be built in the Nanticoke area; they are looking at it from that point of view—but perhaps you should look at it from the passenger or the rapid transit point of view, and I would like to hear your comments on this matter.

**Hon. Mr. MacNaughton:** Again, I think you will find that Mr. Foley is more familiar with this situation than I am.

**Mr. Foley:** In this case, this is not an isolated situation in terms of the rail lines to service the Nanticoke development. We have been in contact with most of the railways in terms of what rights of way they require, what new lines they will build and where they will build them and to what purposes they will be put to service that whole area, primarily because there has been an involvement with the Haldimand-Norfolk study in that region to define future urban areas and to ensure that we do not have high-density freight lines moving through prospective future residential development areas, as well as to ensure that all the industrial developments in that area have adequate and low-cost access by rail service.

As late as two weeks ago we talked to both the railways and the Canadian Transport Commission on the very subject you bring up. As I understand it, at this point it is not concluded but those discussions are under way.

**Mr. Makarchuk:** Do you believe they will be fruitful discussions? In other words they are fruitful, in what respect will they be—well I suppose you cannot say whether it will be rehabilitated or not. But perhaps I could suggest to the minister here that in terms of future urbanization in that area you have a readymade railbed that is available—and could possibly be used for rapid transit, and I suggest you examine it very closely in view of that, and relate it to the legal action that you may take, or the presentation you may make before the Canadian Transport Commission.

**Hon. Mr. MacNaughton:** I think that will be determined as the total Norfolk-Haldimand study proceeds. I think it is a component part of that overall study, the determination of where these facilities should be to best service the area and so on. I think that will very likely be taken up, if it has not already been done till now. I think it probably has.

**Mr. Makarchuk:** That is being looked into? This is what my concern is at this time.

**Hon. Mr. MacNaughton:** It is a component part of the overall Norfolk-Haldimand study which was started of course with the advent of the proposed steel company development.

**Mr. Chairman:** Vote 2301 carried?

**Mr. Stokes:** Before we pass this vote, Mr. Chairman, I would like your guidance. Where do we discuss the recommendations contained in the Design for Development: North-western Ontario as they pertain to transportation and a communication policy?

**Hon. Mr. MacNaughton:** Good question. I suppose fundamentally it should be discussed under that vote of The Department of the Treasurer.

**Mr. Stokes:** Discuss transportation in Treasury?

**Hon. Mr. MacNaughton:** No. But the funds for development of that area are all in one vote in The Department of Treasury.

**Mr. Stokes:** Yes, but I am wondering about a rational transportation policy for all of

northwestern Ontario and it is embodied in the design for development.

**Hon. Mr. MacNaughton:** I am trying to explain.

**Mr. Stokes:** I am wondering if you are in a position to indicate what has happened to date as a result of the indication by this minister when he was the Minister of Treasury and Economics about a transportation study that was being undertaken? I think he announced it on October 13 last year.

Now apparently these studies did go on until a couple of months ago, when I think somebody made the determination that they were not far reaching enough, they were short range instead of long range. So they announced another study to encompass all aspects of transportation and all the needs of the north, having regard for how the isolation, long distances between centres, high costs of moving goods and inadequacies in the communication system, affect both economic and social development in northwestern Ontario; and to maximize accessibility for goods coming in and going out.

The minister is well aware of the submissions made by the Northwestern Ontario Development Council—and I think the cabinet received a copy of that—and the urgency expressed by them for a rationalization of all of the transportation systems in northwestern Ontario and the need for coming up with realistic freight rates. I think I have brought to the attention of the minister on numerous occasions some of the hardships that the present complex and antiquated freight rate structure work on the orderly development of the north. I am wondering where that is at the present time?

**Mr. A. T. C. McNab (Deputy Minister):** Well the follow-up to the design for development is a total transportation recommendation which is being worked on at the present time.

**Mr. Stokes:** That includes rail—

**Mr. McNab:** That includes all forms of transportation.

**Mr. Stokes:** —the St. Lawrence Seaway? When you consider Thunder Bay is about the third most active port on the North American continent I think it is important that we integrate all of those and rationalize it in a way that maximum benefits do accrue and maximum amount of development will result.

**Mr. McNab:** This is being done. It is being done on a co-operative basis with a number of government departments culminating in the advisory committee on regional development covering all aspects of transportation, land use, municipal development and the entire gamut, dealing with the northwestern area.

**Mr. Stokes:** Well is it reasonable to assume then that nothing meaningful or nothing tangible will happen until this survey is completed?

**Hon. Mr. MacNaughton:** I do not know that that is a fair statement. If this is to be done in a comprehensive fashion, and if each related matter has to be brought together before you can make a possible determination—and I am speaking about the economic side as well—then I think we have to put it through this overall mill so that we can get a compatible relationship with everything. I do not know how it can be done in isolation.

**Mr. Stokes:** But I think if you talk to anybody who is knowledgeable about the north and the problems—

**Hon. Mr. MacNaughton:** We are talking to the people in the north.

**Mr. Stokes:** I do not think there is anybody who will tell you that there is anything that mitigates against development in the north as much as transportation costs. So that is why when I say—I was not being facetious when I made that remark—I think that you must have a rationalization of all means and modes of transportation before you are even going to get your design for development off the ground, and that is why—

**Hon. Mr. MacNaughton:** That is the purpose of what is taking place right now.

**Mr. Stokes:** —and that is why I am asking you if you will put top priority on that and when can we expect—

**Mr. Whitney:** Mr. Chairman, I suggest that you also have to have desire—

**Mr. Martel:** Oh crap.

**Mr. Whitney:** —by somebody to use these utilities. I have in my own riding. Places where we do not have desire and therefore we lose out in industry.

**Mr. MacNaughton:** I am inclined to agree with the hon. member. He is entirely right. There has to be local support in all of these things.



**Mr. Chairman:** Mr. McNab.

**Mr. McNab:** You are putting a time—I would say approximately a year—but there is one thing you should remember, a lot of these things, are action oriented. I mean some of the recommendations that are quite apparent at the outset—some of them are included in their programmes for this year even, some are being implemented.

**Mr. Stokes:** So it is not absolutely essential that you have this survey completed before, perhaps, taking action in another area.

**Hon. Mr. MacNaughton:** It emerges as you go along, and as they emerge if they are a good component of the overall study and can be recognized as such, there is no reason why you cannot implement some of them.

**Mr. Stokes:** Can we expect interim reports then or interim decisions being made and acted upon?

**Hon. Mr. MacNaughton:** Yes I think we can. I do not know whether it would be in the interim reports or not, but as the staging of the report develops, and you can find an item that will become a component and is recognizable as such and will not interfere with the overall total position that is developed, then there is no reason why you cannot get on with implementation.

**Mr. Stokes:** The thing I am most apprehensive about are, the people in northwestern Ontario who are being studied and studied and studied to death, and when we come up with a design for development everybody said, "Hurrah, we are on our way, let us get going," and just about when everybody had made their feelings known about—

**Hon. Mr. MacNaughton:** Well, all right, I would remind you of this. That study was an inventory study which showed up the deficiencies—

**Mr. Stokes:** But there were positive recommendations.

**Hon. Mr. MacNaughton:** Our idea of what the deficiencies were or some recommendations as to what could be done to implement them—and as you know—it is custom and policy—we made those reports available to the total community for examination to see whether they agreed with our findings—

**Mr. Stokes:** And feedback which you already have.

**Hon. Mr. MacNaughton:**—first of all to see whether they agreed with it, whether they agreed with our recommendations. Now we have started to analyse the feedback and that is well in process. Where our recommendations are going to become a component part of the overall recommendations—that is what we put in the inventory report, and I point out there is no reason why we cannot implement them—they are being pulled out now and examined for implementation purposes.

A good example would be—you know, it is not the sophistication we need yet but the extension of some of our air travel plans going on, and in your own community. This is going on.

**Mr. McNab:** I think, sir, you could add to that the fact that you mentioned freight rates and the seaway rates and the same thing the minister mentioned, the air routes. These are things we have to work with the federal government on. They are things controlled by the federal government and we are in contact with them in all these areas.

**Hon. Mr. MacNaughton:** There is another area, and I mentioned it earlier in our discussions, where we very strongly feel that this sort of thing should respond to interprovincial regulations. It will make it much easier for us to fulfill what has to be done. When you have to rely on another jurisdiction to make these determinations for you then you thresh the straw all over again, and when you get a handle—

**Mr. Stokes:** How serious is—

**Hon. Mr. MacNaughton:** Well, we are pursuing this right now.

**Mr. Stokes:** How serious is the new department right now in establishing an Ontario-based regional air carrier?

**Hon. Mr. MacNaughton:** With complete seriousness—I hope to be in a position to detail some more of that before too long. They are moving even in advance of the total report in that field, but this is a prime area which is totally regulated by the federal government now, and we are in contact with them on this where we need interprovincial regulation very badly. We should have a regulating body. If we get that, of course, the whole ball game is wide open. We can do our own thing in other words.

**Mr. Stokes:** Are you still going ahead with this pilot project?

**Hon. Mr. MacNaughton:** Yes—demonstration project?

**Mr. Stokes:** Yes. And that will be on in September or thereabouts?

**Hon. Mr. MacNaughton:** Our target date is September. We have been evaluating the proposals from a number of potential carriers to provide the service and that is just about finished. The material is fairly exhaustive but we will be making, I suppose, our selection of the carriers to undertake this demonstration project first. Our target date remains September. Hopefully we can achieve it.

**Mr. Stokes:** Thank you.

**Mr. Chairman:** Mr. Gaunt.

**Mr. Gaunt:** Mr. Chairman, I am seeking direction really. I want to discuss the demerit point system. Do I do it on this vote?

**Hon. Mr. MacNaughton:** That takes us away from railroads.

**Mr. Gaunt:** I think so.

**Mr. B. Newman (Windsor-Walkerville):** You just lost a couple of points.

**Mr. Chairman:** It is in the next vote.

Vote 2301 agreed to.

On vote 2302.

**Mr. Chairman:** Vote 2302, vehicles and drivers programme.

**Mr. Gaunt:** I can make them now, Mr. Chairman?

**Mr. B. Newman:** Are you going to take the whole vote or item by item?

**Mr. Chairman:** Yes, we will use the whole vote.

**Mr. Gaunt:** I wanted to mention a matter having to do with the demerit point system which seems to me is a good idea. Maybe I am not very objective about it, I do not know—but we had a youth committee report a number of years ago. We reported in 1967.

The member for Windsor-Walkerville and myself were on that committee and one of the many things we discussed in that committee report was the demerit point system. The system we felt would be best was one set up on an escalating-point scale.

For instance, a young person who gets his licence at the age of 16 would receive three demerit points and let us take the example

right through presuming that that young person does not have any convictions. At 16 he gets three points, at 17 he accumulates another six for a total of nine, and then at 18 he gets the full 15 points.

Now then, to use the same system but to apply it where a person does have a violation of some type or another, at 16 he would get the three points, if he were to encounter a violation of some type going through a stop sign, or some other type of violation he would lose three points, hence he would lose his licence until he turned 17.

Then at 17 he would pick up the three original points again and provided he was violation free from then on, at 19 he would pick up the six and then at 20 he would pick up the 15.

It seems to me that is using the demerit point system in a positive way rather than giving the full 15 points right off the bat because I think we would be encouraging young people to show some responsibility early in the game.

The other way where they automatically get the 15 to start with. They know that they can encounter a number of violations before they are in any difficulty. It seems to me that if they knew right off the bat that if they were to go through a stop sign or if they were to have any type of traffic violation whatsoever they would lose their licence until their next birthday.

**Mr. W. Hodgson (York North):** Oh you would not want to be that tough!

**Mr. Gaunt:** I would like the minister's comment. I think it would have a very positive effect on insurance rates. I think it would have a number of side effects in addition to the main point and the main burden of my argument having to do with attitude and responsibility in assuming the rather onerous task of driving a car on our public roads.

I mean we can give a young person a car and if he is not of the proper mind and if he does not view his responsibility seriously he can go down the highway and kill somebody, just as easily and just as quickly as if he were to pull a trigger. It seems to me that driving a car is a pretty heavy responsibility. I think if we were to use the point system in that way it would make the point with young people.

**Hon. Mr. MacNaughton:** It is an intriguing idea. I have a feeling to an extent it is judging a man guilty of an offence before he commits it.



**Mr. Sopha:** No, not really.

Interjections by hon. members.

**Hon. Mr. MacNaughton:** I do not know whether that stands up too well or not. You make the reference to the man with a gun and so on. I think he can have a gun if he has a licence. Until he shoots somebody he is innocent.

**Mr. Gaunt:** Maybe the analogy was not a good one, but you know what I mean.

**Mr. W. Hodgson:** You do not believe in giving anybody a second chance.

**Mr. Gaunt:** Sure they would have a second chance.

**Mr. P. J. Yakabuski (Renfrew South):** And they would have their licence cancelled right from the start.

**Mr. Gaunt:** Well that is all right.

**Mr. W. Hodgson:** That is all right with you, but it would not be all right if there was no second chance.

**Mr. Gaunt:** Well they get the second chance on their 17th birthday.

**Mr. Yakabuski:** Was that report contained in the report of the committee on youth?

**Mr. Gaunt:** Yes.

**Mr. Sopha:** You supported it.

**Mr. Yakabuski:** I should think the department has probably given consideration to that since that report was brought down.

**Mr. Gaunt:** They have not followed it then.

**Mr. Sopha:** That would be about the only recommendation they did give consideration to.

**Mr. B. Newman:** No, they considered quite a few of them.

**Mr. Young:** Mr. Chairman, along the same line, Alberta has worked out a system of earning merit points which perhaps also should be commended. This is for any driver and could apply to young drivers as well. As soon as they reach a certain number of demerit points, but later pass a certain number of months without any further offence, they lose a demerit point. That brings their total down and after so many months more, they get another

point taken off, until finally they can be cleared for good behaviour. I think added to that could very well be the idea that when a person does reach say nine or 10 demerit points he should be called in as he is now, but given the defensive driving course. This perhaps should be added to the present stipulation that he has to take additional instruction and perhaps the defensive driving course would be as good as anything in this field.

I think another angle here was presented by the study about a year and a half ago now, by a group at Queen's University, which was published and discussed last spring at the traffic conference here in Toronto. A research team from the university compared the backgrounds of 205 under-21 drivers in the Kingston area who had been involved in recent traffic accidents, with a corresponding control group who had not been involved in accidents. I have the report here, but I am not going to quote from it extensively. However, I do want to quote some of their findings:

The study shows that the people who were accident prone, the young people, were those (a) who fail in one or more grades in or before grade 8 or had been enrolled in a vocational occupational high school course, (b) became a regular cigarette smoker at or before age 16, (c) first full-time employment exclusive of school vacation time at or before age 17 and before receiving a driver's licence and (d) had been charged with a criminal offence exclusive of those related to driving.

Now these were the factors, and surprisingly enough another section of the report says:

"Among non-significant factors were these:"

That is they made no difference in the two groups;

"(a) learned to drive at a driving school or attended a driver education course."

That seemed to make no difference as far as accidents are concerned;

"(b) did not live with both natural parents immediately after birth, (c) death of a parent or other changes in parental marital status."

One other thing: "Use of addictive drugs."

These things, and school suspensions, or poor conduct ratings at school, health problems, these things did not seem to make much difference. Now the study points out of course that what we should be doing is looking for particular traits in the people who apply for drivers' licences.



**Mr. Sopha:** What do you say? Anybody who smokes before he is 16 should not get a licence?

**Mr. Young:** No, the study says when these factors come together in one person then he is more apt to have accidents than the person who does not have these traits.

**Mr. Sopha:** Forgive me for saying so, there is some air of unreality about it when one is conscious of the stimulus given to irresponsible driving by motor car manufacturers. There is one ad that says: "You want a car with a mean streak". Another one says: "Buy a car that belts out enough torque to leave two black lines right to the horizon." Now as long as we tolerate this sort of thing—

**Mr. Young:** Well, and the point in this study is that these people who are rated here are more susceptible to that kind of advertising.

**Mr. Sopha:** Why do we not cut out the advertising?

**Mr. Young:** I agree. I could not agree with you more on that. All I am pointing out here is that what this study seems to point out is that by some questioning and classification of drivers when they apply, we can likely assess—early identification can be made of the group with an excessive risk of accidents. Then at that point the study says:

"It would be wise if we could give them special training and keep a special watching brief on them."

Now I know in a democracy set up this would likely be very difficult. But one thing that could be done—and this the Queen's study points out—we could act when the first accident takes place. Then they become as the minister has said they become, guilty or something. And we cannot prejudge them too much before that.

But when the first accident comes and they belong to this kind of a group, then they should be brought in for more intensive driver training, a defensive driver course, and then a sort of watching brief be held on them.

The other thing that seems to emerge from this is that the first driver course when the child is 16 whether it is at school or from his parents or what not does not seem to make that much difference in the first year of driving. He is very careful. He watches.

Then he begins to get more careless. Then the speed and the rest of it get control of him and he starts to have accidents. That is

the time that he should be called back for another course with this potentially hazardous group, having a far more intensive course at that point. That is driver training becomes more significant about a year to 18 months after the child begins to drive, some course first, but the more intensive one a year to two years after he begins to drive.

Now these are the findings of this Queen's group and I think it is something we should be looking at, and no doubt the department has been looking at it very carefully because it is pretty significant in the whole field.

And this ties in with the other studies of a similar nature made from time to time in the United States and Canada.

I bring it before the minister for his comments and to ask him if something is being done along this line.

**Hon Mr. MacNaughton:** Well, it might be appropriate to hear from the registrar of motor vehicles now and have some comments.

**Mr. R. H. Humphries** (Registrar of Motor Vehicles): Mr. Chairman, as I understand it, it is really a reverse of the present system. The present system is that you get points when you get convictions, based on the schedule of points related to convictions.

The proposal that has been made that you do it the other way. You start off with points and you lose them as you get convicted. I fail to see really much distinction if what we are trying to accomplish will depend on the severity of the application of the system.

Even under our present system you can make the suspension apply at a lesser number of points than it does now. You want to make it more severe. I do not see if you are trying to be more severe with the driver that that system gives you any better chance than the present one does. It is a matter of what points you assess and how many points you require before you apply the suspension.

Now the department has looked at the recommendations of the—recommended by the committee on youth—and among the administrative group, the civil servants, our review of that proposal is this: that we feel that a probationary driver's licence to the new driver, regardless of age, would accomplish more than that proposed system. Maybe we are wrong but that is the way we have looked at it and we feel that a probationary driver's licence for the new driver would be the more appropriate approach to this problem.

Now the Alberta merit point system has been commented on. My information comes from a press report only. But I interpret it not to be a really merit plan at all, it is a device to get a driver to go to a driver-education course; he does not get points for good behaviour as the title of the programme would indicate, he gets points if he goes to a driver-education course and I think it is a lever that is used to take the driver-education course.

To move on to the study that was done in Kingston in Queen's and points that were brought out as to the type of person that got involved in accidents and became a poor driver.

My own view of this would be that these points that you raise are typical of the irresponsible driver. It is all part of the irresponsibility. It is not any one thing that causes a man to get into accidents, to get convictions. But it is a general air of irresponsibility which may manifest itself in many different ways.

I think that was the point of—when the point system was originally brought in years ago and I do not think I was—yes, I think I was there at that time—the point was that the point system was not a punitive programme. The point system was a driver-improvement programme. It was a programme to try and identify the driver who appeared to be potentially careless, dangerous or incompetent and to get to him before something happened.

**Mr. B. Newman:** Is that not punitive? Taking something away from him—so you are punishing him.

**Mr. Humphries:** I am suggesting to you, sir, that the punitive aspect of it came only after it became clear that this driver could not be rehabilitated when he got 15 points. He got six and he got a warning letter to advise him of what was happening: "Beware, you are on the wrong track." When he got the nine points: "You come in and let us talk to you." In fact, we suspend people at nine points who we feel are incorrigible, irresponsible, are not responsible people to be on the highway.

Okay, if he gets past that, he gets to the 15 points, and I agree that at that point, under the present system, it is decided that this man cannot be covered and the punitive aspect is applied, he gets a 30-day suspension.

**Mr. Young:** Would it not be sensible at that point, say at nine—ten points, to insist he take a defensive driver course? Another

course of instruction, rather than simply the talk?

**Mr. Humphries:** I would think that that would have some very real merits, sir.

But you know, looking at these drivers every day and looking at the number of people we re-examine, you know there are very few people who fail their driver's test. When they get to the test, they can drive. People take courses and they are impressed with the course. But you know, it is really a continuing sense of responsibility, that is what it is. These various devices that you use, such as re-testing, driver education—they have their momentary impact, but really, I do not think there is any evidence to prove that those devices themselves have a really truly lasting effect.

The point system can be made more lenient, it can be made more severe, but we think the point system really is a good way of getting at the questionable driver. But I must admit that it is difficult to look at a driver across the table and say: "I do not think you are a responsible person, you have done so and so." It is a pretty difficult judgement to make and I think that the way our judgement is made is not by saying that you have done this or this or this or this; it is an overall assessment of that driver's responsibility.

**Mr. Sopha:** About his general sense of responsibility? Not only the operation of the car but his attitude in other areas?

**Mr. Humphries:** I think his general sense of responsibility is very relevant to his ability to drive a car safely.

**Mr. Sopha:** So you want to know something about his background when he is called in. You want to know if he is working, married, and so on?

**Mr. Humphries:** That is right, sir.

**Mr. Sopha:** All right. Thank you.

**Mr. D. C. MacDonald (York South):** Mr. Chairman, how do you assess what I have described as there being a certain element of Russian Roulette in the loss of points?

I suggest that if you go out and drive along any city street at 30 miles an hour; 50 per cent of the cars are passing you, and therefore the man who gets caught is often the person who is no better and no worse than another driver. I am not talking about the irresponsible person but the person who is going, say 38 or 40 miles an hour in the zone



and he gets clipped, or out on the highway going at 75 or 80 miles an hour on 401 when there is virtually no traffic at all, and it is all very fine except that the policeman is lying in wait at one of the cross bridges and slips onto the road behind you. I mean, is there any attempt to assess what might be described as a succession of relatively innocent violations as compared with evidence of irresponsibility?

**Mr. Humphries:** Well sir, I think that you have got to have some basis for categorizing the driver. I mean you cannot go out—at least up to the present time, I do not think you can go out—and just pick the driver off the road and say we want to look at you. There has got to be some basis for questioning a person's ability once he has got his driver's licence—he is qualified and he is driving.

**Mr. MacDonald:** But you are not questioning ability here. Some years ago I sat on a select committee in which we were informed that The Department of Highways had gone out on Highway 400 and done a test and discovered that the average speed of people driving on Highway 400 at that point was 57 miles an hour while the limit was 50. So after that regular, day-in and day-out violation of the law had gone on, you raised it to 60. This is the kind of thing I am—

**Mr. Humphries:** Yes, well I think the point is this, that to get these people into the programme you have got to have some basis for identifying them, and I think the conviction has been the most reliable basis on which you identify the people that need this treatment.

**Mr. R. Haggerty (Welland South):** Do you identify the car? Do you identify the type of car, the type of vehicle? Is it a sports car?

**Mr. Young:** Well, the Queen's study was an attempt, was it not, to identify in a broad way the accident-prone people? And they say frankly what you have said, sir, that it is a pattern of life for these people. It is not because they do this or this thing, it is simply a pattern, an attitude. But these people are identifiable even at the time they apply for a licence by and large; that is, the group is identifiable. That was the final verdict of the study.

**Mr. Humphries:** Mr. Brezina has done research in this area. Would you like to comment on that point?

**Mr. E. H. Brezina (Safety and Environmental Studies Section):** Yes, I would. Summarizing Dr. Kraus's work at Queen's University, and we did participate in the study with him, I think the two significant issues you have to recognize in this type of work—the first is that you are looking for kinds of people who have certain kinds of record. The Queen's study, by a statistical method, did isolate groups of people with certain attributes, but knowing what these attributes are does not tell you what their driving problem is. You know they are simply an association; people who have this or that perhaps sociological attribute have the following resultant traffic records.

Now, having identified the group, the problem then is, how are you likely to change them? There are the two classical approaches, attitude change and skills change. There is no research on record which demonstrates that an attitude change can be brought about when you are talking about the kinds of variables that you have mentioned, for example, attitude toward authority, parental background, this type of thing. This means that you are left then with issues of skills change.

We have been working for two years in this area. In our annual report we indicated that we were working particularly with a nine-point driver group. We have had a unique finding. We have brought about an improvement in skills of nine-point drivers, an experimental group of 8,000 that we have dealt with, and over a short period of time they have very significant improvement in their collision rate. We are now planning a study with young drivers to see if we can basically effect that same kind of change very much sooner in a driver's driving career.

**Mr. Whitney:** Mr. Chairman—

**Mr. Humphries:** Just before you go on, there is a statistic that I can give you here. Of 80,000 drivers receiving warning letters, about 20,000—25 per cent—go on to nine points. Of 20,000 persons interviewed, only 4,000, or 20 per cent, continued on to the suspension level.

**Mr. Sopha:** So four per cent continued on?

**Mr. Humphries:** Of the 20,000 that were interviewed, 20 per cent—4,000 or 20 per cent—continued on to suspension level.

**Mr. Whitney:** Mr. Chairman, I would like to—



**Mr. Chairman:** Mr. Sopha has the floor, I believe.

**Mr. Sopha:** Forgive me! I wanted to ask a few very brief questions about the present system. The first question is, what are the present requirements about filing proof of financial responsibility in respect to drivers whose licence has been suspended or who have been prohibited from driving?

**Mr. Humphries:** The financial responsibility requirements in The Highway Traffic Act were repealed at the last session a year ago. At the present time the only requirement of financial responsibility would be in the case of a payment from the claims file.

**Mr. Sopha:** That is all?

**Mr. Humphries:** That is all.

**Mr. Sopha:** Why did we repeat those? Do we not want people to be insured?

**Mr. Humphries:** There were a number of reasons. First, the licence suspension problem was a very cumbersome, awkward problem in reinstating licences. The driving public never got to understand the procedures necessary in filing financial responsibility. This was a real serious problem in proving in the courts whether or not a person had filed financial responsibility. The notice of suspension would go out saying, "You are suspended for so long, until you file proof of financial responsibility."

When he went into court to get the proof that he filed financial responsibility again was cumbersome, checking with the department, checking dates and this sort of thing, so when we assessed the financial responsibility programme it became obvious really that filing of proof of financial responsibility did not provide any protection that was not already there to the person who may be occasioned damage by this driver.

**Mr. Sopha:** Well, let me ask you this by way of corollary. What is the percentage of motor vehicles in Ontario now that are insured?

**Mr. Humphries:** At time of registration, which is our most active time of recording the statistics, it is three to four per cent.

**Mr. Sopha:** Are not?

**Mr. Humphries:** Are uninsured. To check on the number of uninsured vehicles during the period of any licence year, what we do is we check the vehicles involved in acci-

dents, and we find that about six per cent of those vehicles are uninsured. Now, we rationalized that somewhat by saying that probably the number of uninsured vehicles that are in accidents are probably higher than normal, so from that we deduce that probably four to five per cent of the vehicles in Ontario are uninsured at any one time.

**Mr. Sopha:** I have another question. Those three or four per cent manage to spend, what is it, \$8,769,000 of public moneys through the fund.

**Mr. Humphries:** Not necessarily, sir, because you have not included the hit-and-run payments, the out of province—

**Mr. Sopha:** What proportion are they, Mr. Humphries, of the \$8 million? Half of it?

**Mr. Humphries:** Oh, no, no! I think the payments out for hit-and-run runs in the neighbourhood of four hundred and some thousand dollars, Mr. Gilchrist?

**Mr. Sopha:** Five per cent? Well, I do not know, but just at the time that the insurance companies take the position finally, recently, that they will not refuse insurance to any person—it used to be the insurance companies, Mr. Humphries, who determined who drove in Ontario, not the government, not the state, not society, but the insurance companies determined it and now they say they will sell insurance to everyone—and at that point you discontinue requiring the filing of the proof. It does not add up.

**Mr. Martel:** Schreyer has had them worried.

**Mr. Sopha:** However, I should have argued that last year.

**Mr. Humphries:** Well, just on that point, sir, what benefit do you get by requiring a person to file financial responsibility, because he gets minimum coverage anyway if he is required to file?

**Mr. Sopha:** Yes.

**Mr. Humphries:** And the fund gives every bit the same protection to the person injured by that person as that insurance policy.

**Mr. Sopha:** Oh, yes, but we are spending \$8 million—almost \$9 million—of public money.

**Hon. Mr. MacNaughton:** That is not public money. Actually that is contributed to by the drivers.

**Mr. Sopha:** Yes, four per cent of the drivers in Ontario pay \$25. How much do you get?

**Mr. Humphries:** The uninsured driver pays \$25.

**Mr. Sopha:** Yes, but how much do you get?

**Mr. Martel:** What is the total amount that you get?

**Mr. Humphries:** The uninsured owner pays \$25 when he registers his vehicle and each driver pays \$1 a year.

**Mr. Sopha:** Yes, that is a tax.

**Mr. Humphries:** In 1970 the total amount recovered from the \$1 fee was \$3,875,191. The uninsured motor vehicle fee, the total recovered was \$1,416,119.

**Mr. Sopha:** A minuscule—as Lawlor would say—a minuscule proportion. Well, Mr. Chairman, it was the easiest thing in the world for me to say as I said to legion of motorists, “Just before the suspension is up, get your insurance company or agent to send in the certificate.” That was the easiest instruction to give.

“You cannot send it in. You have to get the agent to send it in. Go to him about a week before, tell him to send in the certificate.” It is easy. They get it. And many a magistrate sat on the bench and said, “Before you get your licence back you have to file proof of financial responsibility. Your counsel will tell you how that is done.”

I would suggest, in leaving this, that the minister have another look at that. We would like to see 100 per cent of motorists insured in Ontario—every motor vehicle. That will never be accomplished, but it seems to me that some years ago we were pretty close to two per cent—we were down to two per cent—now it is up to four per cent.

**Mr. Young:** Sell it with the licence and you have 100 per cent.

**Mr. Sopha:** Yes. Let me turn to another thing that I wanted to ask, what is the present system about the qualified licence when a person's licence is suspended or he is prohibited from driving?

**Mr. Humphries:** The restricted licence?

**Mr. Sopha:** Yes. What may he get under the present legislation?

**Mr. Humphries:** It is all in section 22 of The Highway Traffic Act.

**Mr. Sopha:** Has it changed recently?

**Mr. Humphries:** No.

**Mr. Sopha:** Oh. All right, I know it backwards. Is there any consideration being given to change that because of the severe economic implications that are sustained by innocent people as a result of deprivation of driving privileges? Many a judge, as Mr. Humphries will know, has striven to mitigate the severity of the prohibition under the Criminal Code, but appellate courts have always turned the judgement around.

We ought to be able, it seems to me, to work out some kind of a rational, workable, eight-to-five system whereby the individual drove his car to work and for no other purpose. You would issue him a fluorescent licence, maybe one that gave off radioactive signals or something—

**Mr. Humphries:** For enforcement purposes I think that would be necessary.

**Mr. Sopha:** Yes, for enforcement purposes. I have always taken the position, undeviatingly—I have never wished people in jail—I always did aver that we should make the granting of a licence such a privilege that the individual who is prohibited from driving or whose licence was suspended would go to jail on the first offence—“Beware! Beware! If you have not got the licence, you will get seven days imprisonment.”

“We mean that you are not going to drive. We really mean it,” the magistrate would say.

**Mr. Humphries:** This is a question of policy, of course, but looking at it strictly through my own eyes, my own view, I think you have got to decide—do you want a deterrent to the man who violates the Criminal Code?

**Mr. Sopha:** Yes, I do.

**Mr. Humphries:** Then you have got to decide what is a fair deterrent. The present provisions in The Highway Traffic Act on the mandatory suspension may be too severe. I am not expressing any opinion. I think that was your opinion, that they were too severe. Should it be three months? Should it be six months? What should it be?

**Mr. Sopha:** No, just let me say I want a deterrent with a combination, well-laced with equity.

**Mr. Humphries:** If you want a deterrent and you are going to decide the deterrent is



going to be a suspension of licence, if you are going to talk about giving a licence back under certain conditions, I think that you have got to assess how well can that be enforced. I can tell you that in many jurisdictions, they get the licence back, and they are all driving. There is no deterrent, sir. There is just no deterrent at all, because it is so difficult to enforce.

**Mr. Sopha:** Mr. Humphries, we could have a sophisticated system, whereby we would allow the individual to drive to Levack, 47 miles away, to go to work, and to return from there to his home after his day's work, but he drives at no other time. Surely we have enough ingenuity that we can work out such a system?

**Mr. Humphries:** I think it is going to have some problems because people work various hours. How is the enforcement officer going to be able to tell, in each individual case, when this fellow is really driving his car on the basis of a restricted licence? I will agree that this is a hardline view probably, but I think if you really value the deterrent aspect of a licence suspension, you have got to look at that very closely before you start issuing licences on a restricted basis.

I think I should say to you, on the matter of jail for driving while under suspension, all the provinces—the ministers of the motor vehicle departments right across Canada—made a recommendation to the federal government that they should have a jail term for the second offence of driving while under suspension—a mandatory jail term. That was made to Ottawa but it was not acted on. I think that would help the enforcement of the driving while under suspension situation, as you have suggested.

**Mr. Sopha:** Yes. I just say that the present system lacks the flexibility that is necessary when dealing with humans and the reality of their lives. Beside that, it is discriminatory. It favours the well-to-do and it oppresses those in the lower end of the economic scale.

The well-to-do motorist who is under suspension can make alternative arrangements.

**Mr. Haggerty:** He can hire a taxi.

**Mr. Sopha:** The poor cannot. And often—more often than we would believe—the individual loses his job because he cannot drive the motor vehicle. It is a necessity for him to get to work. Something has got to be wrong about a system like that.

**Mr. Humphries:** Do you think that if these people realized what would happen to them if they got convicted that this would be a better deterrent than it is now?

**Mr. Sopha:** Do they realize when they are sitting in the pub and the friend says, "Come on, Bill, one more for the road;" and he knows that one more for the road puts him over 0.8? Yet the Parliament of Canada has said, "He is guilty."

People, you see—I had better phrase this pretty fastidiously—do not always react logically. They are impressionable; often immature and get into trouble because they have not got the necessary reactive processes.

We have to take into account that type of person. I am not saying that we mollycoddle them, but that we build some kind of a system that looks at reality. You cannot do anything for that individual who comes to you desperately. He is 1.6 on the scale and he says "I cannot afford to lose my licence. I am through, I am finished, I am washed up. The results are calamitous." You cannot do anything for him, either.

Parliament has even deprived the lawyers of a large part of their incomes, but that is all right. I cannot shed any tears for them. You now tell him to go up and slide in a plea of guilty; they do not need a lawyer any more.

**Mr. Humphries:** As a matter of interest, there was an amendment introduced in the House in Nova Scotia to cut down the mandatory suspension. They have the most severe, I think, mandatory suspension in Canada, and the Legislature there voted it down. I mean, that just shows what happened there—the same approach.

The American Association of Motor Vehicle Administrators have looked at this hardship licence and they are in principle against it. But that is just an opinion of that group, that is just for your information.

**Mr. W. Hodgson:** Mr. Chairman, I agree to a great extent with the member for Sudbury that we should be taking a second look—

**Mr. Chairman:** I think Mr. Whitney is next.

**Mr. Whitney:** Mr. Chairman—I think I am next, Mr. Hodgson.

I want to ask the question if there is any special consideration being given to the drivers of sports cars.



I had an experience about two years ago, it was at the time when, out at the Pioneer Village, the Roblin Mill had its official opening. I brought two elderly ladies there from my own riding along with my wife to attend that occasion and immediately afterwards when we were prepared to go home, we discovered we had a flat tire.

By the time we got the tire changed, we got involved in the heavy traffic on the Toronto bypass.

So we were driving along and I was staying pretty much to the left in order not to be led off to the right and get elsewhere; I am not too much accustomed to driving on the Toronto bypass I will freely admit. So this was, about I suppose, 60 or 70 miles an hour and the traffic was pretty close, but I was not staying too close to the car immediately next to me. There was a sports car came across from the lane next to me and cut directly in front of me in the left lane. I saw no red lights, no stop signals nor the red lights which I am automatically accustomed to respect. I was watching for those red stoplights, and I saw none.

Suddenly I realized that the traffic was slowing down and I put my brakes on, I went to the shoulder of the road and I caught this car by the corner, so at any rate my insurance company was responsible. I did little damage to my own car but there was a claim and my insurance company paid for the other car. I said to my insurance company: "I saw no red stop lights," and they said: "That was a sports car. They do not have to do it, they are geared down. They can do it by changing their gears."

Now, is there one law for those people on a traffic highway of that kind? Actually this car was in the position that by cutting across in front of me when he did, he cut my view off of any stoplights of the car immediately in front of me, by the same token he cut my view off of any stoplights on the car in the next lane, so therefore it would take me so much longer, a few seconds to realize, that there was a stoppage of traffic, and consequently to those few seconds, I went to the left hand and I tried to avoid the accident.

Nobody was injured substantially, but nevertheless I am asking: Is there one law for sports cars, that they can go out on the 401 highway in heavy traffic and not have to use their brakes, that will show a stop sign or the red light, because they gear down, that is what my insurance adjuster told me.

But, by golly, as far as the rest of us are concerned we have always been taught to go by the stop lights, that is it. And I am wondering what goes on here.

I am not finding any fault, but that is what I was told exactly, that because the sports cars can gear down they do not have to put on their brakes, they just gear down by their gears and that is it, and that is part of the deal. I just want to know if that is right or not.

And if this is right—I am telling you I have never been on the 401 since, not during heavy traffic hours on the Toronto bypass. Mind you, just to enlighten myself, it might not have happened, but I had two old ladies that I had brought up here for an historical occasion and I was not going to take any chances.

**Mr. G. W. Innes (Oxford):** You were not going to take any chances.

**Mr. Chairman:** Mr. Humphries.

**Mr. Humphries:** Sir, I am not an automotive engineer so I really cannot answer your question about the gearing down. I would think, though, that the gearing down principle could apply to any vehicle with a standard gear shift.

**Mr. Whitney:** Why do you have stoplights on the other cars, then? Why should not that red stoplight show if you are going to slow down?

**Mr. Humphries:** I suppose that the mechanics of the car do not provide for a light going on when the speed is decreased by a gearing-down process. Funnily enough, The Highway Traffic Act does cover this; where that man does that he should give a hand signal. But if you want to have something incorporated in the car to show a stop light when you are gearing down to give the same effect as braking, then I think the only—

**Mr. Whitney:** Somebody cuts diagonally in front of you and shuts off the stoplights of two lanes of cars, and he is gearing down, how in hell are you going to be prepared for it?

**Mr. Humphries:** I think this is something that should be referred to federal Department of Transport who prescribe the standards for new motor vehicles. I think that is where it should be approached.

**Mr. Chairman:** Mr. Yakabuski.

**Mr. Yakabuski:** Mr. Chairman, I had a couple of things with regard to the filing of financial responsibility and I want to say that I was pleased to see that it was discontinued.

A couple of the reasons I found I did not hear mentioned here tonight. One was that in many, many of the cases that came to me as a member of the Legislature, there were great delays, and when we contacted officials here at The Department of Transport we usually found that the delays were in the insuring office. Consequently for these people, the suspension might be over and it would be weeks and weeks before they were able to drive because of the delays in the insurance office.

The other thing was that the rates had become—maybe the people in The Department of Transport can substantiate this—so exorbitant that it ruled out some people driving again for considerable time. I have heard of people that were asked to file financial responsibility where the rate was \$700 or \$800.

**Mr. Humphries:** It is not unusual.

**Mr. Yakabuski:** Yes. I think these are the two main reasons I was happy to see it go, but I have to agree with the member for Sudbury on the point of a restricted licence. I think there is a need for the people in the department to work out something because there are cases where great hardship is wrought through this and even cases of broken homes, the loss of a job, which leads on to other things.

I think it is an area that you people should be taking a real, good close hard look at. I know there is always the great temptation to abuse this and there probably would be some abuse, but I think on the other hand we have to take a really good look at it and make some provision.

**Hon. Mr. MacNaughton:** I would think that we could take a look at it, Mr. Chairman. I think we would have to be involved, though, in matters of enforcement and to see whether it can be made to work. Quite frankly, I think that is one of the serious aspects of it, Mr. Yakabuski, but it is worth looking into.

**Mr. Young:** Another thing, Mr. Chairman—

**Mr. Chairman:** Mr. Allan.

**Mr. J. N. Allan (Haldimand-Norfolk):** Mr. Chairman, I think that I am confused on this whole affair. I was wondering if I could

ask for a matter of clarification? Do you have the authority to provide a restricted licence to someone who is convicted under The Criminal Code?

**Mr. Humphries:** No, we do not, sir.

**Mr. Allan:** Well, is that not the answer?

**Mr. Humphries:** It would take an amendment to the Criminal Code—

**Mr. Allan:** Well, it is the Criminal Code that has to be amended.

**Mr. Humphries:** Let me say one more thing: Under the code the judge can prohibit a person from driving. That is a prohibition from driving under the code. But under The Highway Traffic Act that applies a mandatory suspension in the event of a conviction under the code, so there are two different types of suspension. The provincial law, of course, could not affect the prohibition under the code, but the provincial law could be amended to change the mandatory period of suspension applied under The Highway Traffic Act in the event of a restriction under the code.

**Mr. Allan:** I notice that a number of the provincial judges are prohibiting them from driving, and that is included in the conviction, although I agree with those who think there should be some charity in connection if it is possible at all; a man can have his whole life changed because he loses one good job and most companies will not protect a man's position for six months. I feel very often that those who err did not intend to err. I think that we are all imperfect and I have a great deal of sympathy for those people.

**Hon. Mr. MacNaughton:** We can talk of certain things under one section that we cannot do under the others.

**Mr. Allan:** And I very often notice that the persons who get in trouble are not the persons who are accustomed to drinking.

**Mr. Chairman:** Mr. Martel, I believe, and then Mr. Newman.

**Mr. Martel:** Yes, thank you, Mr. Chairman. I just want to reiterate what so many people have already said that—Mr. Humphries knows: he and I have had considerable discussion on this particular issue of provisions for a man to get to and from work at least. Certainly the hardships are many and I do not think we have proved anything.

In a case I had in particular the man was a cripple as well, so when he loses his job...



and certainly because of a previous drinking bout involved there was really nothing that could be done, but none the less I just think we have to make the necessary changes to provide so that a man can get to and from work.

The real issue I want to bring up here, though, Mr. Minister is the issuance of licence plates. I just think there is more than dollars and cents involved and again Mr. Humphries and I have had a considerable amount of correspondence with respect to requests. I have also corresponded with you. As a result—I am not so much concerned about what came out in the *Globe and Mail* some months ago—

**Hon. Mr. MacNaughton:** Neither am I.

**Mr. Martel:** I am more concerned with the facts as they were represented in the letters on both these requests. The commission in one would be \$1,500 and the commission in the other community would have been \$2,000 and therefore it was suggested, and I quote:

Our experiences have shown that a commission of \$1,500 is not sufficient to induce an issuer to continue in the position for any length of time.

I noticed in that article in the paper, however, that there were approximately 30 offices in operation in the province with commissions of between \$1,500 and \$2,000. Yet in northern Ontario, where distances are great, when we are changing the licence plates it happens to be in the worst time of the year for driving conditions, and we have to take into consideration that in some of these municipalities a person has to drive 100 miles to get a licence plate. It is really not cricket. And to put a note in a letter saying: "You can mail to Toronto to get your plates" is a lot of nonsense. So could the people of Toronto write the department here in Toronto and so, too, could the people in Sudbury write to the department, but it is a service to people we are talking about.

In the two cases I have, one was a case populaire which was willing to try it without the commission for the first year if necessary to see if they could handle it, and it was turned down, and they had all of the necessary equipment and the staff and that was in the community of St. Charles.

The other one was in the community of Warren where the man owns the hotel, is there full time, and he or his wife, have the necessary office equipment to handle this sort

of operation and would be providing services to people, which is the essential thing. I just cannot see how you can continue to ignore the letters I am writing to you, Mr. Minister. The last one was on May 27, and there was one previous to that. I am still awaiting whether you are going to say yes or no to either one of these requests for the services for the people in these communities.

**Hon. Mr. MacNaughton:** All I have to say to you, Mr. Martel, is that those matters and some others are on my desk now; so I am going to review a number of them. Not only yours, but some other ones. We will review them very quickly.

Basically and fundamentally—and maybe it should not be applicable in the north as it is in the south—there are several reasons why we do not put them together; because if you get too many in one jurisdiction, one picked jurisdiction, you rob the revenues of the one to set up the other. Even the reasonable revenues will be split, so that it is not a fair proposition for either one of them.

It is quite conceivable that the distances in the north should make some difference. I should have responded earlier. The file is on my desk now.

**Mr. Martel:** I will be looking for a reply. Thank you.

**Mr. Chairman:** Mr. Newman.

**Mr. B. Newman:** Mr. Chairman, there is not one of us, sir, there are very few of us in here that would not go along with the idea of a restricted licence or an intermittent suspension.

I can recall years ago making mention of this during the discussion of this department and pointing out that a doctor, simply because he may have been caught at some time or other over-indulging, does not have his right to practise medicine taken away from him; yet a truck driver, who, not during the course of his work, may have been caught having had one too many, has lost the right to earn a livelihood. And back in my own community, both Judges Gordon Stewart and Joe McMahon at one time gave intermittent suspensions, and I do not recall the department ever contesting that because, if I am not mistaken, the intermittent suspensions were used by the individuals. They did drive their vehicles for certain periods of the day.



Now, when a person gets a suspension for 90 days, why could not the department consider that as 270 eight-hour periods so that you could suspend him for 270 days of eight hours. He could not drive the car for eight hours a day for 270 days, or some other figure that you wish to use. I am only trying to suggest some way where we could accommodate the fellow who has had his licence suspended because of some minor indiscretion. If the man was involved in a serious accident, then I can understand that a drunk driver should not be on the road and that is all. But I think the department has to find some way, as the minister mentioned earlier, of accommodating those few people who should be given a sort of hardship consideration as the result of the cancellation or the suspension of their licence.

Earlier in the discussions, the deputy made mention of probationary licences. Is the department considering the implementation of probationary licences so that a beginner or a person driving a vehicle for the first time in Ontario gets a licence on a probationary period first, and if he fills in that probationary period without the loss of any points whatsoever, then and only then is he given a regular driver's licence? Can I have an answer to that question at this time, Mr. Chairman?

**Hon. Mr. MacNaughton:** Yes, I think I indicated before that this is worthy of review. I shall do that as quickly as time and circumstances permit. I think the registrar of motor vehicles can advance some recommendations, taking into account those areas where there is jurisdiction, where the minister has some discretion or authority—

**Mr. B. Newman:** Right.

**Hon. Mr. MacNaughton:** —but I remind the member again that certain sections of The Criminal Code do not permit that discretion to be taken lightly.

**Mr. B. Newman:** I understand completely.

**Hon. Mr. MacNaughton:** That is another level of another jurisdiction. But I say, Mr. Chairman, in view of the expressed views of most of the members of the committee we will take a look at this one.

**Mr. B. Newman:** How about the probationary licence for the individual who is driving for the first time, rather than giving him a full driver's privileges of 15 points, give him a probationary licence. If he loses a

given number of points or gets into a certain type of violation that indicates to the department he may not be the kind of a fellow who should be on the road at this time, that he should undergo some more driver training before he gets on the road?

**Hon. Mr. MacNaughton:** Mr. Humphries, perhaps you would tell me what the situation is at present in terms of probationary licence and what happens to infractions of the regulations in the statutes when they are violated?

**Mr. Humphries:** We do not have a probationary licence as such. The only probationary licence we have now is in the point system but we do have draft proposal forms for a probationary licence.

**Mr. B. Newman:** You are giving it serious consideration then? And it is your intention to come out with some type of probationary licence in the not too distant future?

**Hon. Mr. MacNaughton:** Well, I do not know whether that has been said categorically. I think I can generalize by saying that these matters are reviewed on an ongoing basis. Certainly, sections of the Act and the regulations thereunder are reviewed from time to time whenever situations develop that require a look in terms of changing circumstances, but I do not know that this is a categorical statement yet. I would not like to think it is. I would think that we would like to review it. I have learned much here today, and, as I say, I have a little more to learn yet, and I do not want to make promises that cannot be fulfilled. I do not think that would be wise.

**Mr. B. Newman:** I wanted to ask then of the minister if he is considering the reflectorizing of licence plates. From what I understand it can be done today for two to three cents per set of plates. Is the department giving that serious consideration at all? I know they always say that there are better methods of reflectorizing—that is, either the bumper or the back of the car and the front of a car—but this is not being done by the manufacturer, whereas the reflectorization of the licence plate can at least be an asset toward safety.

**Hon. Mr. MacNaughton:** This has not been discussed in my short experience. I know it has been referred to on a number of other occasions. I must say I do not know why it has been refused. I cannot think of a

car now that has not got an illuminated licence plate; there is a light over the licence plate.

**Mr. B. Newman:** I do not have to point out to the minister that we have seen the motion picture on the use of a reflectorized licence plate and the tremendous distance from which it can be seen in contrast to the regular illuminated licence plate, and if only for the sake of safety. Then there is the minimal cost; Flex-O-Lite Company of Canada Limited can reflectorize plates for only three cents per plate. Surely the three cents and that little bit of extra safety that the reflectorized plate provides is well worth the investment, even if you add only the three cents to the cost of the plate in the initial sale of the plate. Or if you get a permanent plate so that you do not have to keep issuing plates every one or two years, it is worth its while.

I think 34 states in the Union now use reflectorized licence plates, but Ontario seems to hesitate, and some of your officials say that there is not the amount of safety involved as the manufacturers lead you to believe. But even if there is a little bit of safety in there it is better than none; it is still a better plate than is the plate that is simply illuminated and does not have reflective material. I think it is something you will get into sooner or later; why not sooner rather than later, Mr. Minister?

**Hon. Mr. MacNaughton:** I have just been informed that one of the reasons we have not done it sooner than later is that only recently have we discovered that the process of perfecting a plate such as you describe has been developed to the point where we are ready to consider it.

The process, as I understood Mr. Humphries earlier, in our opinion was not adequate. But we are now of the opinion that it is possibly worth a review in terms of multi-year plates. That study, if you like, is in a fairly advanced stage now. We are pointing in this direction. I cannot say how long it will take before we can get it. There are a number of other factors that relate to it, but we are giving this very careful consideration.

**Mr. B. Newman:** Surely you will not come out with a multi-year plate without having it reflectorized? Even though the reflectorized material may not last the full life of the plate, at least there will be some bit of safety with the use of a reflectorized licence plate.

**Hon. Mr. MacNaughton:** Well I think possibly, as I mentioned, there are processes now that will make it last longer and be more effective. Up until now we have not been convinced that that was the case. I do not know that this is altogether germane to the discussion.

The estimate of cost, whether it is translated into your terms or not, has been something that we wanted to consider when we were not sure we were getting a plate that would efficiently do what you suggested it would. The added costs run somewhere in the order of \$800,000 to \$1 million a year. I do not know how much a plate like that is, I could not say—oh, about 35 cents.

**Mr. B. Newman:** The Flex-O-Lite people came out with a letter on July 16, 1970, and I would assume that there is not a member in the Legislature who did not get this letter.

**Hon. Mr. MacNaughton:** I was one who did not get it.

**Mr. B. Newman:** The minister did not get it? Then I will send him up my copy.

**Hon. Mr. MacNaughton:** Please do.

**Mr. B. Newman:** I will do that. Only 3 cents per plate. Surely—

Interjection by an hon. member.

**Hon. Mr. MacNaughton:** That is possible too. I get a lot of mail. I get a great deal of mail.

**Mr. B. Newman:** You got it all right, Mr. Minister. It just was not around for your attention, that is all. You had too many other things to do, rather than to be looking at this at that given time.

**Hon. Mr. MacNaughton:** Probably. But the department is in possession of it.

**Mr. B. Newman:** I would think so. For three cents a plate surely we should not be waiting at all, we should be implementing that now for the 1972 plates.

Have the 1972 plates been ordered already? Have they been manufactured? At what stage are they?

**Hon. Mr. MacNaughton:** They would be in the process of manufacture.

**Mr. B. Newman:** They are in the process of manufacture. Then is there any hope that you will be reflectorizing the 1972 plates?

**Hon. Mr. MacNaughton:** Not that I am aware of. I do not know. This is something else I will have to pursue.

**Mr. B. Newman:** I hope that—

**Hon. Mr. MacNaughton:** I do not propose to be nailed down by this in categorical terms. As I have stated, I want to pursue this. I want to satisfy myself that what you are proposing is as good as it sounds. Now I do not know these things and I want to do that.

**Mr. B. Newman:** Well, Mr. Minister—

**Hon. Mr. MacNaughton:** I do not propose to get nailed down in categorical terms by saying I will do something that I am not yet in a position to say I will do.

**Mr. B. Newman:** The actual letter says: "Thirty seven states in the United States and five Canadian provinces already have reflectorized plates." Surely Ontario should not be that far behind?

**Hon. Mr. MacNaughton:** You are making a case, I suggest, which I will pursue.

**Mr. B. Newman:** I will pass this on to the minister because I know he is the considering type and I would have him, rather than simply consider it, actually implement it. The gentlemen behind you, Mr. Minister, through you Mr. Chairman, are most concerned with safety but you are the bottleneck at the present time.

**Hon. Mr. MacNaughton:** Oh, I do not think so.

**Mr. B. Newman:** Oh yes, you are. All you have to do is say the word and they will follow what you say.

**Hon. Mr. MacNaughton:** I will say the word when I am as convinced beyond what you tell me now that it is right thing to do.

**Mr. B. Newman:** Do you mean to tell me that you are not convinced that reflectorized licence plates are not a safety feature?

**Hon. Mr. MacNaughton:** You are beginning to convince me, but I want to prove it for myself. Let us put it that way.

**Mr. B. Newman:** Do you mean to tell me that it has not been proven conclusively to you that reflectorized licence plates are a safety feature?

**Hon. Mr. MacNaughton:** No it has not, as yet.

**Mr. B. Newman:** Oh Mr. Chairman, I really feel sorry for the minister.

**Hon. Mr. MacNaughton:** You were saying nice things about me.

**Mr. B. Newman:** You really disappoint me.

**Hon. Mr. MacNaughton:** Maybe you thought flattery would get you somewhere!

**Mr. B. Newman:** You really disappoint me.

**Hon. Mr. MacNaughton:** Why should I disappoint you?

**Mr. B. Newman:** Here we are, trying to do something for the good and for the safety of the highway user in the province and you hold back. You still refuse to admit that there is a safety value in a reflectorized licence plate—

**Hon. Mr. MacNaughton:** Mr. Chairman, may I just say to you—

**Mr. B. Newman:** —at three cents a plate.

**Hon. Mr. MacNaughton:** May I say to you that I have not refused anything?

**Mr. B. Newman:** Well, you have not backed it; by not acting you have refused.

**Hon. Mr. MacNaughton:** No, I have not.

**Mr. B. Newman:** What would you call not acting then?

**Hon. Mr. MacNaughton:** Not acting?

**Mr. B. Newman:** All you have to do is say that we are going to reflectorize plates.

**Hon. Mr. MacNaughton:** I would put it this way. I had not until now heard your impassioned appeal.

**Mr. Deacon:** Oh, for years I have heard it.

**Mr. B. Newman:** I will tell you, Mr. Chairman, that I think is about 11 years now—

**Hon. Mr. MacNaughton:** I hear it now.

**Mr. B. Newman:** Mr. Minister, you were always in the House when I brought this up in the House. You know its value, you do not want to admit it, that is all.

**Hon. Mr. MacNaughton:** I have to submit to the hon. member that there were times that I left the House when he was making certain appeals. Now that is not a very nice thing to say, but it did happen.



**Mr. B. Newman:** Maybe I would not even blame you at times, Mr. Minister.

I wanted to bring up go-anywhere vehicles.

**Hon. Mr. MacNaughton:** Pardon?

**Mr. B. Newman:** The go-anywhere vehicles.

**Hon. Mr. MacNaughton:** Yes, I know what you mean.

**Mr. B. Newman:** Is there going to be any type of control on this vehicle, either by way of inspections, by way of requirement for certain safety features, by way of restricted licences? They are going to be a real serious problem from now on.

**Hon. Mr. MacNaughton:** Let me put it this way, Mr. Chairman, I hope so, because we are pursuing it.

**Mr. B. Newman:** I really hope so, Mr. Minister, because you—

**Hon. Mr. MacNaughton:** It is awfully hard to keep up with these.

**Mr. B. Newman:** There is no place that is sacrosanct today with the go-anywhere vehicles.

**Hon. Mr. MacNaughton:** It is very difficult to keep up with what is being developed in this field. We are just nicely through the consideration of certain regulations engaging the industry for snowmobiles. We have to do something about these go-anywhere vehicles.

**Mr. B. Newman:** Right.

**Hon. Mr. MacNaughton:** Now we are on a good wavelength. I agree with you.

**Mr. B. Newman:** We were on a good wavelength before, but you would not admit that I was right.

**Hon. Mr. MacNaughton:** No, that is not quite the case. I wanted to satisfy myself.

**Mr. Martel:** This is a real issue.

**Mr. Chairman:** Are you through, Mr. Newman?

**Mr. B. Newman:** I have some other comments, but I will allow others to get up.

**Mr. Chairman:** I think Mr. Deacon was to speak.

**Mr. Deacon:** There are a couple of points I would like to bring up.

First of all, I would like to ask Mr. Humphries again, in view of his statement that he felt it was difficult to maintain a conscious feeling on the part of drivers who underwent the training courses because of their bad record; it is difficult to maintain their feeling of caution or their awareness of the need for responsibility in the way they drive; in view of that statement, would not the suggestion of Mr. Gaunt that young people should earn their points to begin with, be a much better way than just a probationary period of driving?

This way, they actually, by a good record, can build up their 13 points. They would not be able to make mistakes without hitting difficulty right off the bat in the early stages. Is this not a good way, really, over a period of time, of making them aware of the privilege of having a licence to drive?

**Hon. Mr. MacNaughton:** Yes, I think that would have some merit.

**Mr. Deacon:** In view of that, I would really appreciate a reappraisal of that approach, rather than just the probationary approach to the initial driving period. I think young people or rather new drivers should have a period of time where they do not have the 13 points which most of us get.

**Mr. Humphries:** It is all a type of probationary licence.

**Mr. Deacon:** That is right. But this is one where the new driver actually has to go month after month, driving safely, consciously in order to get the point which the normal driver has reached. I would ask that this be re-examined in the light of that.

I wanted to find out where I should be discussing the matter of school bus inspection and the laws and things like that. Mr. Chairman!

**Mr. Chairman:** Pardon?

**Mr. Deacon:** I wanted to find out—

**Mr. Chairman:** I was not listening to you.

**Mr. Deacon:** —at which point do you get into the school bus safety programme?

**Mr. Chairman:** This vote will do.

**Mr. Deacon:** Fine. As the minister knows, there was a representation made recently with regard to the problem of the school bus flashers. I have a resident in my constituency who has actually written to all

boards of education and others across the province who are concerned with school transportation. Her recommendation is, of course, that the law which prohibits the putting on of the school bus flashers at speeds of 35 miles an hour or less be abolished. In other words, that only where the speed limit is in excess of 35 miles an hour would the drivers be permitted to put on their flashers. As a matter of fact, the drivers, under the present law, have to put on their flashers.

At the time of our meeting two or three weeks ago, I suggested that rather than have the law state that 35 miles an hour be the criterion, there be some discretion because there are places where putting on flashers in 50-mile-an-hour zones is a danger. I pointed out the situation on Highway 7 between Bathurst Street and Woodbridge.

There are some intersections there with a divider where there is a good area for pulling off to one side, where children could cross the roads at signal intersections; where the pull-off area would eliminate any danger to the children unloading or loading. It also would eliminate the danger that is now caused by drivers coming from the opposite direction not being sure as to whether they should stop or not.

I would appreciate the minister indicating whether he would be in favour of eliminating the present 35-mile-an-hour criterion and saying that the decision as to whether the flashers will be put on or not put on shall be on the recommendation of the school transportation official, subject to change by the Minister of Transportation.

The point I want to emphasize, Mr. Chairman, is the fact that when we see the school bus flashers on, as motorists we know we are supposed to stop regardless of which direction we are coming from. It is an automatic reaction of motorists, that the law says that when the school bus light flashers are in operation you come to a stop. There is no confusion in the motorist's mind as to whether it is a 35-mile-an-hour zone or a 40-mile-an-hour zone, we do not think about that, but we are concerned about the flashers being on or not being on. I suggest that we do not need to clarify the matter as far as the motorist is concerned, but we do need to eliminate the present rigidity of the law which causes us to, in my mind, endanger the lives of children. Some places where the speed limit is 35 miles an hour, they are not allowed to put on the flashers; and in other

areas where the speed limit is in excess of that, putting on the flashers causes danger.

An hon. member: Hear, hear!

Hon. Mr. MacNaughton: Well Mr. Chairman, I would say that I think the number of letters that have been addressed to me originated largely from York County and total about 40 in all. I have replied to each one of them, as far as I know, to date indicating that it is a matter that is worthy of review. Our concern, I suppose, would be whether we should really shift this responsibility onto the driver—

Mr. Deacon: I am talking of school transportation officers rather than a driver.

Mr. MacNaughton: Whatever it is—

Mr. Deacon: Right!

Mr. MacNaughton: The driver, too, who has to activate the signals has to—and that is not to be critical of them because they are usually pretty well selected and they are pretty good drivers but you assign a level, then, of determination to the driver that may or may not be satisfactory.

Mr. Deacon: Well, again, my suggestion is that the determination be made by the school transportation officer and they would be doing that on the recommendation of the driver.

One of the sad things is where school buses stop at every hundred yards instead of asking the youngsters to walk a quarter of a mile in one direction, and others where the stops are not too frequent. But it is still something I would think you could not leave in the hands of the driver but there should be a discretion allowed. I would suggest that the minister not think in terms of this matter, as placing the total responsibility on a driver but on the school transportation officer, with the minister having power to veto if the officer decides there be a stop every hundred yards, holding up traffic. The minister may decide in such an event to—

Hon. Mr. MacNaughton: Yes; I think the point is a valid one and it is certainly worthy of review. It would take an amendment to the Act. I do not know how much time it will take to research this in all its forms but as far as the provision of safety is concerned I think it is warranted to review it and look at the other side of the coin as well.

But I have indicated to everybody that has corresponded with me that we are involved in looking at this thing very closely.

**Mr. Deacon:** Would you expect to have something done—a review completed in the next few weeks—in order that the new regulations might be put in effect in the new school year?

**Hon. Mr. MacNaughton:** They are not regulations. The Act has to be amended.

**Mr. Deacon:** It would be a great help to have such a change for the next school year because a lot of school bus drivers are very upset about the present situation. They are worried because they are not allowed to put on their flashers in certain areas where there is imminent danger to youngsters. It does not concern them.

**Mr. Chairman:** Mr. Ben.

**Mr. Ben:** Oh, Mr. Chairman, surely you are not going to ask me to start now. By the clock it is 27 minutes after 10 o'clock. Before I move adjournment, I will say, "How do you do, sir, and how do you, Mr. Chairman, and I am happy to see all the ministers here and all you advisers."

Maybe we could continue tomorrow.

**Hon. Mr. MacNaughton:** And we will say, "How do you do." You are on the record anyway.

**Mr. Ben:** I am on the record. I would like to adjourn, so I can start.

**Mr. Chairman:** If you are here, we will carry on after the question period tomorrow.

The committee adjourned at 10:28 o'clock p.m.

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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Transportation  
and Communications

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Tuesday, June 22, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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## LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JUNE 22, 1971

The committee met at 3:10 o'clock, p.m., in committee room No. 1; Mr. M. Hamilton in the chair.

ESTIMATES, DEPARTMENT  
OF TRANSPORTATION  
AND COMMUNICATIONS  
(continued)

Mr. Chairman: Vote 2302, Mr. Ben.

Mr. G. Ben (Humber): Yes, Mr. Chairman. I have to be very careful because Mr. Allan has his Man Tuesday next to him, so I will be very kind to him.

Mr. Chairman, Mr. Newman ended yesterday evening with the question directed toward the minister, "When is he going to be doing something for the safety of highway users?" I want to sort of amplify that phrase, because much was said here last night in regard to a possible relief for those people whose licenses have been suspended. And, Mr. Minister, if you will forgive me, I am going to rise to the defence of present legislation—

Hon. C. S. MacNaughton (Minister of Transportation and Communications): I will forgive you for doing that.

Mr. Ben: —because I am interested in something being done for the safety of highway users. Mr. Chairman, if you will look at the statistics issued by the department on accidents and automobile use, you will see that from 1961 to 1969 the number of motor vehicles on the roads increased from 2,130,000 to 2,940,000. That is approximately 800,000 more motor vehicles; I would say it is a good 40 per cent increase. During that same interval, motor vehicle accidents dropped from 6.2 per million miles travelled to 5.9, fatal accidents from 4.8 per million miles to 4.3.

Mr. Chairman, I am not naive enough to suggest that the fact that there is a mandatory suspension of a person's license for driving while his ability was impaired, or for some of the other infractions per se, or in itself has been responsible for the accidents

and death resulting from accidents remaining constant or declining while the number of automobiles on the road for the miles driven has increased enormously.

Those of you who have your tables in front of you can glance at page 36, where it is shown in a graphic manner. You will see that while the number of cars has increased fantastically, the accident and fatality rates have remained relatively constant; in fact, there has been a decline. I say this, Mr. Minister, because I recall the city of Toronto and other people bringing pressure on the government of the day to bring in mandatory suspensions because of the high rate of death in the city of Toronto resulting from motor vehicle accidents. Every year the death rate was higher than it was the previous year. Since we have had mandatory suspension of licenses, and a very keen programme on the part of the police to hand out tickets and arrest people for having their driving ability impaired, the death rate has dropped.

Mr. Minister, I want to tell you that the hon. members who spoke here are not the only ones that sometimes resent the officious exercise of duty by the police. People say, "Why are they stopping me?" or fines come to you and they say, "Why, I was not even there," and so on. I doubt very much that the police in this city or elsewhere through this province take any personal pleasure out of stopping people on their way to work or going home at night to determine whether or not their erratic driving has been caused by the consumption of alcohol, taking them down to the police station, compelling them to blow into a device there, having them phone the person's wife or other dear one in the middle of the night, having to appear in court the following day, and perhaps two or three times—and I point out to you that most of the apprehension for driving while ability is impaired is at night, so that the police when they appear in court are appearing on time other than their own shifts. They could well be in bed instead of sitting around the court all day. The fact is they do this unnecessary job.

Sure, I know that sometimes some people lose their jobs as a result of not having their licences. But what we have to decide is: Are we going to concern ourselves with a person's living, or are we going to concern ourselves with a person's life? This is what you have to choose between. Sure, some people have an accident on the spur of the moment. I do not doubt that, but I wonder how many people driving automobiles in the Province of Ontario and elsewhere, where they have compulsory suspensions, or where the police make checks, would have had an accident which would have taken a life or a limb had the policeman not stopped them because he noticed there was something unusual about their driving that might have taken them off the road. I practise law and I defend people whose livelihood may depend on retaining their licence, and a lot of convicted people may lose their livelihood although I have found from practice that this being such a frequent occurrence, most employers are understanding enough to give a person some other type of a job for the three months that the licence is suspended.

In most instances a magistrate will consent to a person applying to have his licence temporarily reinstated after the mandatory three months if, in fact, his livelihood does depend on it. And in most cases the department will give a restricted licence. But one of the beauties of making the suspension for three months mandatory is that you can neither buy your way out of that suspension if you have lots of money, nor can you not use political pull to avoid having your licence suspended. In other words, the intention was that the rich would suffer with the poor. Up to that time too many people were able to bring influence, either monetary or political, to avoid the stigma of having their licences suspended—or if they did, getting it back too soon. I just want to say this, Mr. Minister, I too feel sorry for people who find their livelihood jeopardized. But in so far as I am concerned, after I watched the death rate in the city of Toronto rise year after year, with most of the accidents happening from November forward, I would prefer to concern myself more with the lives of people than the living of the people. I just thought I would mention that.

I promised I would not be long, Mr. Chairman, but while we are still on this business of automobiles, I just want to say that there are probably amendments after amendments which could be offered to The Highway Traffic Act which would give effect

to that phrase, "doing something for the safety of highway users," especially in city traffic. The best solution would be to have more courteous drivers, but it does not always turn out that way.

I recall, and you may recall, Mr. Minister, that in the 1965 Parliament when I first came in here, I spoke in favour of these Pro Drivers Clubs. I thought it was a wonderful thing. I remember the hon. member for High Park (Mr. Shulman) in this session of parliament, or this parliament, speaking in support of it.

Unfortunately, just about the time that he rose to advocate supporting Pro Drivers Clubs, statistics came out which showed that during the first year that the Pro Driver is on the road he is an excellent driver but after that initial year, he joins the ranks of everybody else when it comes to feeding the statistics. He becomes just as irresponsible as any other ordinary driver, so it appeared that the solution to cutting down accident rates is not bringing into existence more competent drivers.

I would suggest that the reason accidents are caused by the young more in proportion to their numbers than by the older ones is that they are extremely competent and have too much faith in their competence but that their judgement suffers because of their competence. As one gets older, he gets more mature judgement and decides that discretion is the better part of competence and therefore he has fewer accidents.

Yesterday the Provincial Secretary and Minister of Citizenship (Mr. Yaremko) was asked about reducing the drinking age. I cannot see why a 16-year-old is given a licence to drive a car and the age of majority is still 21. I cannot see why in many provinces the age of youth, as distinguished from majority, is 18 or 17—that is the age at which you cease to be a juvenile—while in this province it is 16; why we still have that majority age for contracts but you can go and get a licence at 16 years of age and by plunking down money and paying taxes, you can drive a car, a very dangerous item. I was going to say when we were discussing these mandatory suspensions that in Canada we lose over 5,000 lives a year to the automobile. Over 5,000 lives, countless limbs, countless eyes, but when we get down to the debate, the monetary aspect takes precedence over the humanitarian aspect. Damn the dead, we say; three cheers for the auto. Well, I am afraid I do not believe it and I am damned if I will take the car



of gold and worship it like that golden calf. I think we are giving too much to it.

I still say, Mr. Minister, that we should not issue licences to those who are under the age of 18. Not only that, but I would extend the learning period well beyond the 90 days that you discussed. I would not give them a permit to ride alone until they have been driving a car at least two years. The parents would sign that they have to be satisfied or somebody has to satisfy himself that that driver has attained maturity.

When I was speaking on consumer affairs, Mr. Chairman, I pointed out that we do not test drivers to see if they are mentally competent or adaptable to have put in their hands the steering wheel of an automobile. They pass some test which we expect all our young to pass, because most of the tests involve dexterous adaptability, co-ordination of feet and hands and eyes but no test is given to see that the person is, shall we say, sane enough to drive an automobile.

We ask them on the licence whether they are subject to heart attacks or epilepsy or something of that nature. We think that is important, but we just do not give anybody any kind of test to determine whether that person is suited to drive an automobile or find the people who have a tendency to take out their frustrations against the world on that automobile.

They get behind that wheel, they tense up and 90 per cent of them only drive one way and that is straight ahead. Their rear-view mirror is used to take a look at that miniskirt that just passed by. That is the only time they use it. If we want to—again that phrase “do something for the safety of highways”—this is something we should do.

Mr. Minister, in The Highway Traffic Act, we do not have a specific clause which governs the distance from an intersection at which you must signal a turn. Nothing drives me up the wall and makes me one of those drivers who grip that wheel and take out their wrath against the world more than drivers who turn on their turn indicator when they are already in the turn. God bless them, but when they are turning I know they are turning! They do not have to tell me by the turn indicator that they are turning.

What you have to do is jam on your brakes and everybody behind you has to jam on his brakes. Surely there should be some provision in the rules of The Highway Traffic Act that

you have to make your signal at least 100 feet, or 100 yards, or some specified distance before you make your turn, not when you are already making your turn.

**Mr. L. C. Henderson** (Lambton): Typical Liberal, he does not know which way he is going.

**Mr. Ben:** No, we do not know which way you are going because you are the driver ahead. You are the Tories. I recall reading in the Canadian Motorist, a publication put out by the Ontario Motor League, a fellow was relating how one should save on that little 10-cent bulb. He said one should turn the indicator on at the last minute and, as soon as he completed his turn, turn it off manually—I was going to send him a couple of gross of bulbs and say “Here you are, cheap-skate. You try to save a 10-cent bulb by putting on your indicator at the last minute, you can give these out free. All you have to do is get an affidavit from them that they burned out the last one by putting on their indicator in time.”

**Hon. Mr. MacNaughton:** That might be a little difficult to obtain.

**Mr. Ben:** It might, you are right. The fact is that there should still be some kind of prescribed mandatory distance from a turn where a person must signal. I understand, Mr. Minister, that many times you do not know where you are going to turn, you have got to watch for the street sign. But is it so important at the last minute to stop and make that turn and upset everybody behind you instead of going on farther? I do not think so.

The same applies to these people who get into an intersection and do not drive three car lengths ahead of you; I think you understand what I mean. A good driver does not just drive looking at the bare road ahead of him; he looks two or three car lengths ahead of him to see what they are doing so he is not taken by surprise. To me a person who gets stuck in an intersection or on a light and then blocks traffic going crossways—

**Mr. R. Haggerty** (Welland South): It is great here in Toronto! They do it all the time.

**Mr. Ben:** —is asleep at the switch. He just has to be taken off the road and put in some shady park and let him sleep it off there instead of in the automobile.

I am saying these things not because I want to drag the man off to jail, but because I want to make the roads safer. It is not just

people who cause accidents, direct accidents, who should be taken off the road, but people who drive in such a way that they annoy other people through their carelessness. They cause these people to be unmindful of what they themselves are doing, exasperating other drivers, making them take chances, cutting out to pass and the like. This is what causes accidents. People pride themselves and say, "I have never been involved in an accident in my life." That may be true but five will get you 10 that they have caused more than their share by not driving with reasonable consideration for other people using the highways.

By the way, I do not see enough charges laid under that concern. Why is there not some reasonable consideration for other persons using the highways?

**Mr. Haggerty:** There is no courtesy on the roads any more.

**Hon. Mr. MacNaughton:** It is careless driving.

**Mr. Ben:** Anyway, Mr. Minister, I promised my friend, Mr. Young, that I would not belabour this vote so that he can get a chance. I have lots more to say on some of the sections under The Highway Traffic Act and The Used Car Dealers Act, etcetera, but I am going to let somebody else go on. Thank you for listening.

**Hon. Mr. MacNaughton:** I wonder if I might say, before Mr. Young starts, that I am glad to hear the other side of the coin this afternoon from the hon. member. There is much truth in what he says. It will help us to consider the proposal which was advanced to us yesterday. Thank you for the other side of the coin.

**Mr. Ben:** It is a pleasure always.

**Mr. Haggerty:** Two sides.

**Hon. Mr. MacNaughton:** Sometimes there are three sides—the right side, the wrong side and the facts.

**Mr. F. Young (Yorkview):** Mr. Chairman, coming back if I might for a few minutes to the matter of school buses that we were discussing last evening. I have here the first annual legislative transportation forum report of New York State, chaired by Senator Ed Speno who was here in 1966 and spoke to a committee of the Legislature. I do not know whether those of you who met him at that time and know of his history as a leader in

the whole crusade for safety on the road in the United States, know that he passed away in February of this year very suddenly; February 17 I think it was. I think the continent has lost a leading light in this whole field.

However, in that conference which Mr. Speno chaired before his death, John Reid, chairman of the National Transportation Safety Board, made this statement in a speech: that school buses are unsafe.

School bus body manufacturers do not use as many fasteners, such as rivets or bolts, to assemble their buses as are used in intercity or transit buses. In accidents this allows the buses to break apart at the joints so that the structures disintegrate, exposing the occupants to injury.

Backing that up is the report of a study commissioned by Mr. Volpe, secretary of transportation. That report indicated to him that most school buses are structurally capable of resisting wind and rain, but little else. This was a national transportation safety board study and they used two school bus crashes in Alabama as examples. The board pointed out that school buses are assembled in such a manner that they keep out weather or hold insulation in place, but they are not strong enough to be regarded as more than covering material.

Most school buses, the study pointed out, are made by simply fastening a school bus body to a truck chassis. The sparse use of metal fasteners and rivets causes structural weakness and the board said that far more rivets are used to fasten panels in transit style buses than in most school buses.

I know this is applied to the United States—both these studies that I mentioned, the speech and the study, are from United States sources—but since the automobile industry is integrated across the continent, I wondered whether this kind of a situation might exist here as well as in the United States and whether it is a serious situation and whether it is being looked into at all?

**Hon. Mr. MacNaughton:** I think it is. The hon. member may be interested—I should not say that; he is aware of course—that fundamentally this is under federal jurisdiction. There is collaboration between the federal government and the provinces. I suppose it is fair to say there is a continuing input of thought and ideas to that level, but I was interested to learn from the registrar this



moment that the Canadian Standards Association has developed complete new specifications for a school bus. I presume that that would be under study at the federal level and will get down to our level in due course.

**Mr. Young:** Of course, we in this province, I think, must be interested because of the transportation of our own children here.

**Hon. Mr. MacNaughton:** No question about it.

**Mr. Young:** It may be a matter for boards of education as much as for Transportation and Communications, but I think it is something we ought to study, because one bad accident can cause some real damage, if this is true of our buses—and evidently it is—as well as those in the United States.

I would like to ask a question of the minister, Mr. Chairman, with respect to motorcycles. I had a communication from the Firth Motorcycle—

**Hon. Mr. MacNaughton:** Might I say one more thing—and pardon me for interrupting—there is a conference of representatives from all over Canada, including the Northwest Territories, taking place at the Inn on the Park right now. I would be of the opinion that this matter and other related matters are under discussion, and this is one of the fora, if that is the proper word, that carries this message first to the federal government, communicates with the provincial governments and departments of transport in the very field which you expressed concern about, at the school bus level. These conferences go on continually with the federal government and all provincial departments.

**Mr. J. E. Bullbrook (Sarnia):** A conference of whom?

**Hon. Mr. MacNaughton:** It is the CCMTA—Canadian Conference of Motor Transport Associations—all motor vehicle groups. They are all meeting now. It is Ontario's turn to be host to this group, but as I say, the meetings take place on a continuing basis. They contribute their advice to the governments responsible, the department of government responsible, and then these things emerge, so I think it is of important interest to all of us. As I mentioned previously, they will in all likelihood be considering the new specifications emanating from the Canadian Standards Association.

**Mr. Young:** Well, that is good news that the CSA is doing a job in this field. It is

regrettable that we have taken this long to get down to this kind of a situation.

**Hon. Mr. MacNaughton:** Yes, it is completed as a matter of fact; these specifications are developed now.

**Mr. Young:** But we hope that this minister is really going to push this, and if it is a federal matter we ought to use whatever weight the department has.

**Hon. Mr. MacNaughton:** He will exercise his responsibility.

**Mr. Young:** There was one other matter—

**Mr. M. Makarchuk (Brantford):** May I pursue this same thing?

**Mr. Young:** Yes, surely.

**Mr. Makarchuk:** Does the department set any kind of standards for the school boards in terms of what specifications in brakes, and so on—whether they have auxiliary brakes, dual brakes, lighting and so on? Are these standards set by your department for the school boards?

**Hon. Mr. MacNaughton:** It is all part of the overall situation that I have just described, yes.

**Mr. Makarchuk:** Then in other words, if they comply with the normal Highway Traffic Act regulations that is all that is required of the buses?

**Hon. Mr. MacNaughton:** As far as the jurisdiction of a provincial department, yes; that is quite right. But we are participants with the federal government in the determination of standards for all forms of automotive vehicles. The jurisdiction is at the federal level but we are participants in this.

**Mr. Makarchuk:** Well, within the Labour department they do draw up standards for vehicles that will be transporting noxious or flammable fluids and they seem to think that it is within their jurisdiction to draw those standards up; and it seems to me it would be within your jurisdiction to draw up minimum standards regarding the equipment on the buses, particularly safety equipment, along the lines of what the member for Yorkview has mentioned.

This relates to an accident that occurred in Norfolk county last year, where there was a brake failure on the bus and it resulted in a fatality when the bus went over the tracks. If there was a dual brake system or



something to that effect then this would not have happened. But the school board is probably interested, or the bus line operator is interested, in providing the cheapest possible transportation for the money that he is getting, or the maximum amount of transportation for the minimum amount of money, and he may refuse or not accept the certain options that are available or could be available to ensure the safety.

And it would seem to me that it should be the responsibility of your department to set some minimum standards for school buses particularly. I mean in the other fields there may be conflicting fields of jurisdiction between federal and provincial, but I think in this area you have a certain responsibility and I think you have certain jurisdictions over this area. I think you should look at it from this point of view.

**Hon. Mr. MacNaughton:** It is regulated. If you would care to examine Ontario regulation 18361 you would find the extent to which that element is regulated by the provincial department; and these regulations are changed and amended from time to time as the information or recommendations come from the federal level as a result of this getting-together process.

**Mr. Makarchuk:** Well, could you, as an example, tell me if it is mandatory for school buses to have a dual braking system?

**Hon. Mr. MacNaughton:** Yes. Here are the new CSA standards. I do not know whether I need to read them all.

**Mr. Makarchuk:** No. There may be standards, but the point I am concerned about is—

**Hon. Mr. MacNaughton:** You were talking about braking.

**Mr. Makarchuk:** Well, as an example, there may be standards—

**Hon. Mr. MacNaughton:** That is one of the new standards.

**Mr. Makarchuk:** Right, but is there any obligation on the part of the operator of that vehicle to buy a bus that meets those standards? This is what I am concerned about. And is there any way that you can force them into—

**Hon. Mr. MacNaughton:** As soon as these are translated into our regulations, yes.

**Mr. Makarchuk:** But at the moment they are not translated into your regulations?

**Hon. Mr. MacNaughton:** No, because as I say this has just been developed by the Canadian Standards Association and that will be translated into regulations. All other regulations are enforced.

**Mr. Makarchuk:** Have you any idea when it will be translated into regulations?

**Hon. Mr. MacNaughton:** As soon as regulations can be written, I presume.

**Mr. Makarchuk:** Well, could you give us a specific date?

**Hon. Mr. MacNaughton:** It will certainly be this year. Now, how fast we can get regulations written and promulgated and so on—

**Mr. Makarchuk:** There was a fatality where there was a brake seizure, and if the bus had been equipped with dual brakes a person or a child would be alive today; so the sooner the better in that case.

**Hon. Mr. MacNaughton:** These will all be translated into regulations.

**Mr. Young:** Mr. Chairman, there is another area which is international, and an area of standards as well; but an area in which the province has taken some responsibility, and that is the area of tires. We have legislation setting up the V-1 standard, and while it is perhaps not as adequate as it might be, I am wondering if we are having any problem such as they have in the United States—and have had over the last couple of years—in respect to deficient tires.

I have here a release of June 5, 1971, where the Goodyear Tire and Rubber Company has agreed to pay \$18,000 in compromise of a civil penalty claim that it produced tires in violation of The National Traffic and Motor Vehicle Safety Act in 1966. Involved in the case were approximately 34,000 Power Cushion tires, 7 by 13, and 11,000 Custom Power Cushion tires, 9.15 by 15.

These were put on the market in the United States. It was discovered that they were deficient in ways that are outlined here, which I need not mention at the moment, but the tire company was prosecuted and made a settlement and the tires recalled. Since this is an international company and since it is no doubt making tires in Canada of the same standard as in the United States, I am wondering if we have any protection here against this kind of failure in manufacture.

**Hon. Mr. MacNaughton:** Would you like to comment on that, Mr. Humphries?

**Mr. R. H. Humphries** (Registrar of Motor Vehicles): Sir, the standard for the tires on new cars of course is set by the federal government. The province has standards, as you have mentioned, which apply to the manufacture of tires. There has been a problem about testing tires. As you know, the only way you can test a tire is to destroy it; that is the only way you will prove it is a defective tire.

The facilities for testing tires have not been readily available in this country. We were, in fact, advised this morning by the federal people that tire testing facilities were going to be made available to the provinces. They will be able to test a considerable number of tires for us to assist us in enforcing the tire standards now prescribed in The Highway Traffic Act.

**Mr. Young:** The national highway traffic safety administration in the United States, of course, issued regular bulletins on the testing they do and while most of them, say, passed, very often you will get failures in the results of tests. Do we accept their results here—that is, are we concerned in Ontario when the United States departments say they have discovered certain failures in tires? Do we at that point look at the similar tires which are sold in Canada and Ontario and say, "Well, now, here, something must be done about this and done immediately"?

**Mr. Humphries:** We would be concerned, but not until recently has there been any identification on the tires by which you could identify the tires that came from that manufacturing batch where the defect originated. Now tires when they are manufactured will be marked in such a way that when a defect arises—it usually arises in a batch of tires—that batch can then be identified and recalled for test, recalled from service. But in order to do this, of course, you have to have a method of identification of those tires and I think that method has now been provided.

**Mr. Young:** It is being provided?

**Mr. Humphries:** It is provided.

**Mr. Young:** On a federal basis?

**Mr. Humphries:** Yes.

**Mr. Bullbrook:** May I ask, as a matter of interest—

**Mr. Young:** Yes.

**Mr. Bullbrook:** As a matter of interest, how do you ever hope to prosecute to your minimum standards legislation if you do not have any objective method of evaluating the minimum standards?

**Mr. Humphries:** It was a matter of getting to the best position we could in the best way and we just did not have all the tools at that time as far as tests are concerned. There is no question about that.

**Mr. Young:** And the V-1 standards were set up and specifications outlined, but there were no testing facilities to in effect find out?

**Mr. Humphries:** I should not say no testing facilities, but very limited testing facilities.

**Mr. Young:** Going on from there, there is the whole problem of standards in tires? I suppose the minister might say this is a federal matter, but when I go to buy a premium tire, deluxe tire or whatever it may be, if I buy a Goodyear deluxe or a Firestone deluxe, they may not be the same tires at all because the different companies set their own standards and put these names on them.

What we really need here is some standard, as we have in canned goods with standard, fancy and choice, so we know whether it is a standard, fancy or choice tire. Whatever tire is made by whatever company, it would have these same standards. We would know when we buy it that we were buying with some confidence that those standards were being lived up to. I think this is one of the great failures in the tire standards at the present time in Canada.

I do not know how far we have gone in trying to establish standards of this kind. I have no way of knowing except for this V-1 mark, which again is meaningless because of the lack of real testing so far; I have no way of knowing the meaning of a deluxe tire in Firestone or a premium tire in Goodyear, no way at all.

**Mr. Bullbrook:** Or the other jargon for that matter—four-ply, triple-tread, polyester filler—

**Mr. Young:** Radial.

**Mr. Haggerty:** The six-ply has a two-ply rating—figure that one out.



**Mr. Young:** This is the problem. So we have a wonderland here of jargon in which the average consumer is just lost. I do not know whether the—

**Hon. Mr. MacNaughton:** I would be of the opinion that if you buy the lowest-priced tire, it should conform at least to a basic minimum standard. I think that is fair enough. I have some reason to believe that is either in effect now or well advanced. Perhaps Mr. Gartshore could comment on that.

**Mr. Young:** But if I put another \$20 into that tire, I have no assurance I am getting \$20 in extra value.

**Hon. Mr. MacNaughton:** Well, that is part of the process, I would think. Can you comment, Mr. Gartshore?

**Mr. A. M. Gartshore** (Registrar's Office): Yes, I was down in Washington about a month ago talking to the federal people there on the subject of tire standards, and of course the existing V-1 or 109 standard, as it is in the States, now is a minimum safety standard. They are trying to develop exactly what you are talking about, some method of grading tires in a uniform way.

The problem they are up against is that there are a number of different factors to grade. There is length of tread wear for one thing, comfort in riding for another, and this type of thing. There are about four or five of these. They found, of course, that a particular grade of tire does not rate "A" all the way across the line; if it is a high-speed, long-distance tire it will rate high in some areas and lower in others.

What they are hoping to produce is some method where you can get a code with a tire and you can tell from this that this is a very long-wearing tire, but it will not perhaps give you a very comfortable ride. It will describe the tire so the customer will know what he is buying. They are trying to develop this. So far they do not have it developed; they are working on it.

But of course any grading of that sort, because of the interchangeability of tires across the boundaries of provinces and from the U.S. particularly into here, would have to be uniform throughout. Otherwise if you bought a U.S. tire, the code might mean something quite different. This is the way they are trying to work on it.

**Mr. Young:** Well, at least that is some progress, although the tire companies over the years have consistently fought any kind

of grading or standardization, and I presume they are continuing that battle against standardization just as the motor car companies have been fighting against safety standards; so it is part and parcel of the same programme.

**Mr. Gartshore:** They did not let me in on the infighting that has been going on.

**Mr. Young:** Mr. Chairman, if I could raise one more issue at this time—

**Mr. Haggerty:** Could I interrupt for a minute, Mr. Chairman? A little over a year ago I purchased a new car, and after the 4,000-mile checkup I noticed the front tires were starting to go. They were Firestone tires, and I took them back in; I was complaining to the dealer about it, and I said, "They should not be wearing like that." I can show you here where the rim is, and right about below where the pressure is on the rim the tires would wear just like that, a hollow almost right down through it.

**Hon. Mr. MacNaughton:** Maybe you need a wheel alignment.

**Mr. Haggerty:** No. I took the car in and I said there was something wrong with the front end. They checked it out and, of course, like all dealers they said, "There is nothing wrong with the front end." So I took it back for the 8000-mile checkup; I had changed the tires—criss-crossed them on the car. When I took it back in, the tires I had moved from the back end to the front end were going that same way, and I said, "There is something wrong with the front end." "Nope," the dealer said, "we find out that it is in the construction of the tire." I said, "What do you mean?" "Well," he said, "if you take it back to the Firestone dealer here in Welland and pay the difference they will put a new set on for you." I thought, "Oh no, you are not going to catch me in that field." This is going back and buying the same tire again, perhaps the same problem.

But these are wide-track tires, and I have often thought, when I had different ones look at it, that the chap who brought it to my attention said, "There is where your pressure and your weight is—right there." He said the tires are perhaps too wide for the vehicle. So now I will have to buy a whole new set of tires, and I am like Mr. Young: I do not know what kind of tire to buy. Am I going to have the same problem



again? It is pretty hard to determine what is the best tire.

**Hon. Mr. MacNaughton:** Maybe you should invest in a pair of Michelins.

**Mr. Haggerty:** Pardon? No, these are glass-belted.

**Hon. Mr. MacNaughton:** You should invest in Michelins.

**Mr. Haggerty:** These are supposed to be top quality tires; I do not know, perhaps one of your fellows can tell me what is the best tire to buy now.

**Mr. A. T. C. McNab (Deputy Minister):** Well, I would like to add something that I have found, and I think this is sometimes—I do not know whether you did this, but I have done it in the past—when I have had over-sized tires, I have gone beyond the specification called for by the car manufacturer, or I have varied from that. This can quite frequently cause trouble with your tires and difficulty in steering and stability. I do not know whether they might have put a set of tires on there which was not the one that your car was designed for or to operate—

**Mr. Haggerty:** It came right from the manufacturer, so he must have designed it.

**Mr. McNab:** It could have been, then I am wrong.

**Mr. Haggerty:** Often, I thought, travelling the Gardiner Expressway, those expansion joints are what causes the thump, thump, thump all the way down to Hamilton.

**Mr. McNab:** That is the next vote!

**Mr. Haggerty:** No, but—

**Mr. Bullbrook:** He is going to get you.

**Hon. Mr. MacNaughton:** Maybe the stud damage had something to do with it. You never can tell.

**Mr. Haggerty:** Pardon? It is a good thing I had a set of studs on the back end because, you know, I had to buy a set of tires before that time.

**Hon. Mr. MacNaughton:** I hope you have taken those out.

**Mr. Haggerty:** I hope I do not have to take them off. I was hoping perhaps you would change your mind on it because I can tell you this; travelling the Queen Elizabeth—

**Hon. Mr. MacNaughton:** You should have them off as of April 1.

**Mr. Haggerty:** That is right. I have them off my car but travelling the Queen Elizabeth last winter, in November, I happened to get past the circle in Hamilton and all of a sudden I happened to see these lights, tail lights, come on a little bit brighter. The chap who was in the car ahead of me went into the ditch. There were about four or five cars in the ditch and I was fortunate that I had the studs on my car and I could bring that car under control. They have their advantages.

I am like Mr. Young here; I am concerned about the tires now. I mean if I take my tires back to the dealer and said put another set on, I will have to pay the difference and probably the same thing would happen to that set of tires.

**Hon. Mr. MacNaughton:** You have to pay for the 4,000 miles.

**Mr. Haggerty:** Yes, this is right, but I mean this could continue year after year almost, could it not?

**Hon. Mr. MacNaughton:** It is quite true, but I think we have given you the information that is related to what is going on in this particular field right now. The emphasis is being intensified on, let us say, the identification process and anything else that we did not have before. Hopefully we will be able to identify the quality of the tires in due course and you will know what you are buying.

**Mr. Haggerty:** Well, I hope that you move in that direction.

**Hon. Mr. MacNaughton:** Presumably, the new car will at least have minimum standard tires on it.

**Mr. Young:** Mr. Chairman, I wonder if I might raise the question of the licensing of motorcycles. I have a letter here from Firth Motorcycles Ltd. on the Danforth, and the letter outlines a problem in connection with stolen machines. He claims that it is not difficult to get licence plates for stolen motorcycles. He says—this is October 24, 1970:

Right now the Metro police have at the central garage between 40 and 50 stolen motorcycles with the engine numbers changed. The people charged had no difficulty getting licence plates for the machines.

Mr. Firth said if they had to show these machines to the police before obtaining the licence plates, they would have been caught immediately.

He raises this question of how best to cope with the problem. He is in the business and he has some difficulty in this whole field. I raise it for the comment of Mr. Humphries; perhaps he might have some answers to it.

**Hon. Mr. MacNaughton:** Would you like to comment on that, Mr. Aiken, please?

**Mr. H. J. Aiken (Vehicles Branch):** Mr. Chairman, there is concern with this particular problem and our people have been involved with some of the motorcycle people as well as with the police, both from Metro Toronto and from the Ontario Provincial Police.

As it stands now, all rebuilt and the machines you have described fall into that category; they are registered here at head office so that there can be a measure of control. A bill of sale is required for the major components in an effort to establish the trail, the source, from which the pieces came that ultimately were used to produce a rebuilt machine.

They require a certificate of mechanical fitness, of course, to establish that they are fit for the road. We maintain a separate file so that each application can be reviewed by the police officers. In this manner they have a reasonably good picture of what the situation is.

Now, this is not to say that the skilful crook is not going to get around the system—I suppose they can most systems—but it has made it extremely difficult—

**Mr. Young:** So that the problem is being solved?

**Mr. Aiken:** It is diminishing.

**Mr. Young:** Diminishing?

**Mr. Aiken:** Yes, sir.

**Mr. Young:** But not cured by a long shot?

**Mr. Aiken:** That is right.

**Mr. Young:** One other matter, Mr. Chairman, I raise without too many details, because while we have plenty of details, I do not think it serves the purpose to bring them to the minister because he knows about it.

I have an article here from the Toronto Star, May 12, this year, "Fifty per cent of cars tested found to be unsafe." It outlines

this matter of faulty brakes, loose steering, defective tires and other matters which are discovered in the testing lanes of the province. Last year the record was pretty bad in the various places where testing lanes were set up.

I think all of us recognize the fact that we should have regular testing of all our motor cars every year. I would think every six months if possible, but at least we should start with a yearly test. I wonder if the minister would comment as to how far the plans in this direction have progressed?

**Hon. Mr. MacNaughton:** I will ask Mr. Aiken again to do that.

**Mr. Aiken:** It may be helpful to point out that the vehicles which are directed into the inspection lanes are those that the local enforcement officers suspect may have some defect; that is, if it is a weighted or a very selective sampling. The vehicles, as they go through the inspection lanes, usually fail in some particular component, so that the results as you see are not representative of the vehicle population as a whole.

**Mr. Young:** If I could interrupt there—it does show, though, that there are very large numbers of defective cars on the road, even though the proportion may be somewhat diluted if we look at all the new cars and the more modern car?

**Hon. Mr. MacNaughton:** They are decreasing.

**Mr. Aiken:** Again, this is so very difficult to try to come to grips with, not just here in Ontario but in any jurisdiction where the age-old question is, what is the state of our vehicle population?

If we look at our accident reports we find that in about 95 per cent of the cases they appear to be free from defect. In about 50 per cent of the remainder, it is not known. Of course, this, too, is understandable when you have a vehicle that is badly damaged and perhaps a driver who is going to be evasive if he has failed to maintain his motor vehicle. So that, of those that might be deemed to be defective, a high percentage of them, perhaps, involve headlights—perhaps 40 or 50 per cent. The question is, is this one which would contribute materially to a hazardous situation? By that I do not suggest that it does not make some contribution.

It does, of course, but again it is a question of attempting to weigh this so that there are

values the Ontario system can be said to be compulsory, but it is compulsory on a selective basis with so much of the emphasis directed toward section 49 of The Highway Traffic Act, that is the used car at point of sale or transfer, when it is thought generally to be in need of attention because the owner is reluctant to spend sums of money on it at that time.

**Mr. Young:** What proportion of the vehicles in the Province of Ontario would have gone through the lanes last year?

**Mr. Aiken:** Something just under 100,000.

**Mr. Young:** Out of 2½ million?

**Mr. Aiken:** Yes. It might be helpful to point out, however, suppose we take a base population of about three million and of those about 400,000 are brand new motor vehicles. It leaves about 2.6 million in use. Of that, just under, well, about 761,000 pass the section 49 regulations with respect to the used car inspection, as evidenced by the certificate of mechanical fitness that is produced.

Then you have another 100,000 or just under 100,000 that have gone through the lanes again on a selective basis, so you are picking up about a third, roughly, in that manner. In addition to that, there are those which are inspected at the roadside by police officers in the various communities. There is not an intensive inspection but it picks up the obvious.

**Mr. Young:** Mr. Chairman, are we seriously considering making inspections mandatory so that each one of us must go through a lane once a year?

**Hon. Mr. MacNaughton:** I would personally rather see how effective the particular programme is. It is turning out to be very effective. Could you indicate to the committee, Mr. Aiken, how many cars have been removed from the road as a result of these inspections?

**Mr. Aiken:** No, I cannot really because, as you will appreciate, there are a number of vehicles that, for example, would not meet the standards under section 49. Those vehicles are not reported to us except to say that last year there were in excess of 40,000 vehicles registered by their owners as unfit, which takes them off the highway until such time as they can be brought back to a standard.

At this time we are attempting to get a good measure of the impact of section 49 on the vehicle population as we examine the work that has been done. One of the problems, I feel, with the universal inspection is our inability at the present time to identify those cars that require inspection. The end result is that you tend to use some of your resources inspecting cars that just do not need inspection. Again, this is a problem across all jurisdictions.

**Mr. Young:** I think in Britain, if I remember it, they do not require inspection until the second year, or at the end of a certain period of time after a car actually hits the road. As far as I am concerned, the testing lane at Downsview is in my own constituency so it is very convenient for me to drive in there. I do that regularly, every 5,000 miles or so, but it is not so convenient for many people.

My guess is, too, that in the areas where the testing lanes are not in operation, once the word is out in those areas, those people, the ones who are living some distance away, just make sure they do not come to town during that period. In other words, they stay clear of testing because they are afraid of what their cars might be like. I do not know how far we can go in getting into the back concessions and getting those cars turfed out.

**Mr. Aiken:** If I may, Mr. Minister, this again is the problem of identifying those which should be brought forward. There is a partial approach available to police officers now by way of a notice that can be given pursuant to regulations requiring an owner to appear at one of the travelling inspection lanes.

**Mr. Young:** He has to go some distance to—

**Mr. Aiken:** It is usually within the community. We try to visit most communities in the course of the good weather months.

**Mr. Young:** Thank you, Mr. Chairman, that finishes me as far as this vote is concerned.

**Mr. Makarchuk:** On the same point, Mr. Chairman. The argument I have is not against testing but I find myself having to defend some of these cases. This refers to some delivery services; the man will be out on delivery and his truck will be hauled in for testing and they tie it up right there and then. The man has an urgent package to deliver and he is denied the right to move his truck.



I wonder, in cases of this nature, perhaps the man can be allowed to complete his journey and bring in a certificate or something to that effect the following day stating that the mechanical problems may have been taken care of; or else turn in the truck the following day. I have had several complaints of this nature where the truck has been picked up, sort of in midstream, and the trucker of the furniture man or, in one case, a television man, is rather annoyed he could not finish his delivery. He was tied up right there and then. Perhaps a little bit of discretion here may be in order, though I realize the hazards this can also cause.

**Hon. Mr. MacNaughton:** I would hope that those circumstances only arise when it is obvious that the vehicle being operated is mechanically deficient. This level is largely left to the police. I would hope again that the enforcement procedures would require a degree of common sense but there could be a situation, even if there is an urgent delivery to make, where it would be a dangerous car to have on the road. It is quite possible.

**Mr. J. P. Spence (Kent):** Mr. Chairman, under this same vote, I am in favour of safety checks on cars, but in so many instances, they check the car just outside the town limits or the village limits, and it is not too long before everybody knows there is a check going on. The businesses in town have no more business for the next two or three days, I would say; it has been brought to my attention many times.

Also, after they inspect some of these cars, they just put them off to the side of the road and they have to call a wrecker to tow them in with so many of these cars. If one of the officials of The Department of Transport would go ahead with the flasher, this would save a lot of people \$15 to have their car towed in to the garage. In general, Mr. Chairman, those who have their cars found not roadworthy have not too much. I would say that those people can least afford to pay the \$15. I would say to you to use some discretion; it should be up to the officials of the department; if they went ahead with a flashing light to warn the public that there was something coming along to beware of, I would say it would save a lot of dollars for some of the people who cannot afford to pay \$15.

**Hon. Mr. MacNaughton:** I can see the problem associated with what you have just said. I say with some respect to the hon.

member for Downsview, if I got the significance of his remarks that we should increase this form of activity on the one hand, here we are being asked to relax it in certain cases. It is very difficult to find a happy medium, I can tell you—

**Mr. Spence:** I know.

**Hon. Mr. MacNaughton:** —to provide for the safety requirements. It is very difficult.

**Mr. Spence:** I do think, Mr. Minister, that one of your officials from The Department of Transport, with a flashing light should go ahead of the car. That is, if there is not too much wrong but it has to be fixed.

**Hon. Mr. MacNaughton:** Of course, I mentioned earlier that this type of thing is largely, if not exclusively, done by the police. To have a car with a flashing light at every situation where one of these things may develop—I suggest you do not know where you are going to find them. You catch them where you find them.

**Mr. Spence:** But it is a hardship.

**Hon. Mr. MacNaughton:** They would not be taken off. I think it is fair to say that this much discretion is used. They would not be taken off unless they were obviously in very bad shape. In that instance, I would suggest that if the fellow had spent a little money on repairs he would not have to pay the \$15 tow charge.

**Mr. Spence:** Sometimes those men have not got it.

**Hon. Mr. MacNaughton:** Well, I understand.

**Mr. J. E. Stokes (Thunder Bay):** Mr. Chairman, I would like to get in on something dealing with automobile safety and I am referring specifically to studded tires. I think the minister is well aware of—

**Hon. Mr. MacNaughton:** Mr. Stokes, maybe you would permit me; Mr. Young, the member for Yorkview, has suggested that we might present to the committee a little statement from the St. John's, Newfoundland, Telegraph, I guess?

**Mr. Young:** St. John's Telegraph Journal.

**Hon. Mr. MacNaughton:** Telegraph Journal. I do not know what your comments on this might be. They appear to have found down there that girdles are distracting and make a menace of women who wears one when

she drives. Now, what do we do about that? It goes on a little further. I will not pursue it any further, but it goes on a little further.

**Mr. Bullbrook:** You do not have to!

**Mr. D. M. Deacon (York Centre):** They should be wearing panty hose.

**Hon. Mr. MacNaughton:** It even suggests she is safer in her panty hose. Maybe we had better get that publicized so that the ladies know how dangerous it is to wear their girdles when they are driving. That will read well in *Hansard*. By the way, I have attributed it to you, I might say, Mr. Young.

**Mr. Young:** I thought it might help the education of the minister just a bit, when he is thinking of setting regulations.

**Hon. Mr. MacNaughton:** I do not think I will put Mr. McNab's comment on the record.

**Mr. Bullbrook:** That was on the wrong vote though. You realize that?

**Hon. Mr. MacNaughton:** It introduced—we can use a little bit of levity here.

**Mr. E. W. Martel (Sudbury East):** What were you going to say about it? That is interesting.

**Hon. Mr. MacNaughton:** There are not too many laughs in estimates at best.

**Mr. Stokes:** Mr. Chairman, I do not know how wearing or not wearing girdles could present a hazard to a driver.

I do know the banning of studded tires has presented a very definite hazard to drivers in the north, particularly where roads are snow covered and ice covered for a good part of the year. I think this is evidenced by the number of representations that have been made to the department from many municipalities and interested groups in the north.

I think there were even representations made by your colleague, the hon. minister of Mines and Northern Affairs (Mr. Bernier). When he was questioned about it further, upon assuming his new position in the cabinet, he said that he regretted the decision, but that in the interest of cabinet solidarity he had to go along with that decision. Just recently in—

**Hon. Mr. MacNaughton:** I do not think that would ever have an effect on cabinet solidarity—a decision like that—somehow or other.

**Mr. Stokes:** I would hope not.

**Hon. Mr. MacNaughton:** Cannot think it would.

**Mr. Stokes:** I would hope not, but just recently in Kenora, where there was a meeting convened of all of the municipalities in the Kenora district, one of the resolutions that were passed was that further representations be made to the department to apprise them of the importance of having all safety devices possible for the maximum safety of drivers, and among them was a resolution asking this department to reconsider their decision with regard to the use of studded tires in the north.

I drive about 30,000 miles a year myself, and I have driven with studded tires ever since they were on the market. I have made comparisons with other people, including police officers and people who drive as much or more than I do, and those to whom I have spoken can attest to the extra safety that is provided by studded tires to northern drivers. I have even taken up with other people including people in The Department of Highways about the amount of damage that is done in the north, as opposed to the amount of damage that is done in the south.

We do not have the volume of traffic say on Highway 11 or Highway 17, as you do on Highways 400 or 401. We do not have the constant high speed; because of alignment we cannot travel as fast. Because of snow and ice conditions we cannot travel as fast, and do not wish to travel as fast, as they do down here. So it is quite obvious that the wear and tear caused by studded tires in the north is not as prevalent as it is in the south.

I have looked at pavement jobs that have been done last summer and tried to assess, for my own information, the amount of damage that has been done, particularly to centre lines. I think it is quite right to say that there is considerable damage done to them down here, because of the volume of traffic and the speed at which the vehicles are travelling—

**Mr. Haggerty:** It is the salt they put on the road which takes the paint off.

**Mr. Stokes:** —but I see no evidence of that in northern Ontario, certainly not to the extent that it is causing a great deal of expense to the department, because studded tires were used.

**Hon. Mr. MacNaughton:** There is more than that to it, really, as you know—much more.



**Mr. Martel:** The roads are snow-covered all winter long up there. Highway 17 west from the Soo—I have been up there the last three winters in February and it has been snow-covered right through.

**Hon. Mr. MacNaughton:** That may be true. Let me say this, if you believe in the greatest good for the greatest number I do not see how you could isolate the province into sections. I do not know how you can permit people who may not restrict their travelling to the north to come in from other jurisdictions. If it was possible to build a fence around it for that purpose, I would say we might be getting somewhere. But certainly, it has been established beyond all doubt in our minds and in other jurisdictions—some have the same conditions as northern Ontario, and I am thinking about the western States.

**Mr. Stokes:** But so many actions that are taken by this government—or the lack of action taken by this government and the federal government—mitigates against so many of our aspirations in the north. I am talking about transportation and our distant markets.

**Hon. Mr. MacNaughton:** Oh, oh!

**Mr. Stokes:** The thing is, you will not make things uniform. The only thing you have made uniform is the cost of a case of beer. But there are so many other things that are different in the north. We are unique inasmuch as the climatic conditions are so much different than they are in the south.

You want to employ standardization in this particular area. If you standardize everything right across the province we could sell this in the north, we could say that. If we want to be like everybody else in the south, fine and dandy, we must accept uniform standards, but we do not have uniform standards, and we do have special and unique conditions, particularly driving conditions, in the north.

**Hon. Mr. MacNaughton:** I am very much aware of that.

**Mr. Stokes:** One advantage that we did have was that we were able to use studded tires and everybody attested to the benefits accruing from using them. Yet you have invoked this banning of the use of studs and it has worked to the detriment of people in the north.

I realize that it becomes a question of "Where is the north?" and "Where is the South?" I would say that any vehicle that is registered above the line north of the

French River should be considered in the north. If anybody is going to be spending most of his time driving in the north, let them get his licence and his registration in the north.

I realize too that you do have some difficulty. You are going to have a little difficulty with Joe Borowski next fall, I would think.

**Hon. Mr. MacNaughton:** A little.

**Mr. Stokes:** I do not know to what degree, but he has made certain threats that he is going to challenge Ontario. Now I am not particularly concerned about what Borowski thinks in Manitoba, but I do know what the people in northern Ontario think, and a lot of people who are not just frivolous really believe very strongly that there is an added advantage in the use of studded tires.

I plead a special case for the north, where they have a distinct advantage. I am wondering if the minister will not make a special case for the north—say, "We realize there is an advantage" and make an exception for vehicles which are registered and do the majority of their driving in the north.

**Hon. Mr. MacNaughton:** It is very difficult to isolate it in these terms. I am going to let Mr. McNab make some comments here. He has researched this situation probably more than anyone in the government. I think, Mr. McNab, if you would make some comments they might be helpful.

**Mr. McNab:** At the outset there has been great confusion on safety and mobility. I sincerely feel that these people who are pressing for the lifting of the ban, particularly in the north, are at least guilty of this confusion.

Our tests which have been taken again this year, and the tests of the Canada Safety Council, indicate our contention right from the outset that the reason for the ban was not the cost as much as the unsafe conditions that they introduced. Mind you, it was more in the south, but certainly, even in the north, when you get right down to the safety factors, the lack of safety outweighed the benefits that you might get. The safety was on such a narrow band. Now, mobility is something else again. I would also point out that our tests were taken in the north. The tests of the Canada Safety Council were also taken in the north.

Minnesota, now, has banned them by not renewing the bill that allowed them. Wisconsin, it appears, is going in the same



direction. Michigan is unquestionably going. Now people that—

**Mr. Martel:** What about Sweden?

**Hon. Mr. MacNaughton:** Let us stay in Canada.

**Mr. McNab:** I can talk about Sweden too.

**Hon. Mr. MacNaughton:** Let us talk about Canada first.

**Mr. Stokes:** All right, yes, but Wisconsin and Michigan are not part of Canada yet.

**Mr. McNab:** No, I am mentioning this, sir—

**Hon. Mr. MacNaughton:** They are bordering jurisdictions.

**Mr. Martel:** How about the—

**Hon. Mr. MacNaughton:** May I suggest, Mr. Chairman, that you allow the deputy minister to complete his explanation or his comments and not bring in Sweden, if you do not mind.

**Mr. Martel:** All right.

**Mr. McNab:** I am mentioning particularly the states of Minnesota, Wisconsin and Michigan because the people in your part of the province are going to be driving quite a bit in those states—at least, the records do indicate that there is quite a bit of interchange back and forth across the border. At the present time, right now, if it was not for the fact that the estimates are on, I would be down in Fredericton, where the Maritime people are considering the same legislation and asked me to come down and bring our research down. I had to send somebody down there. This conference includes commissioners of highways from the northeastern states.

But there is a little inconsistency here, because the facts indicate that there is a safety problem when you use them. The unsafe conditions outweigh the narrow band where they actually do create safer conditions.

**Mr. Young:** You are talking about a temperature band?

**Mr. McNab:** I am talking about a temperature band, yes, sir. On one hand, quite properly, everybody is demanding that we should do things in the interest of safety, and there is a certain inconsistency when, on the other hand, it is suggested that we should put up with studded tires. In Sweden—Malcolm Armstrong just got back from Europe—they are

getting very concerned, not only because of the damage. The damage on their roads is such that their entire budget for paving is being taken up by repairing the damage that studs cause.

**Mr. Martel:** Is it not also—

**Mr. McNab:** And there is a definite relationship between damage and safety because they are rutting the roads in the hydroplaning.

**Mr. Martel:** Right. I accept that as being valid. On the other hand, the reduction in the number of accidents, according to the report I read on Sweden, would indicate that the damage, as a result of a reduction in accidents, the saving in accident claims and so on of the insurance companies, has far and away exceeded what the cost of repaving has been.

**Mr. McNab:** I have an answer for that too. The highway officials in Sweden say that those figures were prepared by the stud manufacturers and they cannot validate them.

**Mr. Martel:** I question that.

**Mr. Bullbrook:** Why?

**Mr. Martel:** I would not be surprised if this might be the case; I only make the point that the figures I have seen indicate that the damage to the roads is far less than what—

**Mr. McNab:** But it is going to be—there is no question about it. In the discussions I have had with state and highway officials and provincial highway officials, it is just going to be a matter of a year or two that there will be a complete ban in North America. It is because of the safety aspect.

**Mr. Martel:** It is not the damage at all then?

**Mr. McNab:** Only the damage as it contributes to the unsafe conditions.

**Mr. Martel:** Are they not using a new type of material, not nearly as hard as the previous—

**Mr. McNab:** No.

**Mr. Martel:** No.

**Mr. McNab:** What they have tried out is a new arrangement of studs, a new setting. It is still tungsten. These were tested by the Canada Safety Council this year and while there was a very small reduction in damage, they were not nearly as effective; and in most conditions the most effective tire you can have on your car is a conventional tread, a good

conventional tread, and in snow, a good, conventional snow tread.

**Mr. Young:** I might say, Mr. Chairman, that in connection with the drop in the insurance rates in Sweden, it had very little to do with the tire studs; it was a matter of insurance now being set on a basis of the reparability of makes and models of cars. The motor car manufacturers are striving now to get into the lower insurance category and the spare part prices have been dropping steadily because of the competition here and they have been manufacturing cars to be more durable. So insurance rates have been steadily dropping about 15 per cent per year because of that factor alone. Now, the stud manufacturers may be taking credit for that kind of decline.

**Mr. McNab:** I was talking to Mr. Borowski about a month and a half ago in Ottawa and he is not nearly as certain now. He admitted that—

**Mr. Martel:** He has cut down the accident rate, though in Manitoba, has he not, considerably?

**Mr. McNab:** I think maybe people stay out of Manitoba.

**Mr. Martel:** They do not let any Conservatives in there any more, that is all.

**Mr. Chairman:** Order, gentlemen.

**Mr. Martel:** Only reliable people in there now.

**Hon. Mr. MacNaughton:** I would make one more comment on this. The reference to statistics that Mr. McNab has stated is largely those of the stud manufacturers in Sweden—the reference you made. Many of the statistics that argue with the point we make in Canada are also those of the stud manufacturers. Very recently, we received a letter from them; it must be a very newly formed organization because the title of the group was typed on the paper. They have established a studded tire research institute now, you see. But my first communication was on a typewritten headline, so I think that has been dreamed up rather fast.

**Mr. Stokes:** I think, though, if I might get back to—

**Hon. Mr. MacNaughton:** From the standpoint of mobility, I would say that you have a point.

**Mr. Stokes:** I think if I get back to my original argument—I think there should be a statement issued then. If what Mr. McNab says is valid, and I have no evidence to prove otherwise, I think a statement should be made clarifying the reasons for the action that you have taken because I remember quite vividly—and I could document it if I had to—that when you indicated that you were going to ban studded tires, it was for the express purpose of cutting down the damage to roads.

**Hon. Mr. MacNaughton:** That is of very much concern to us too when you indicate the cost of repairing the damage and—

**Mr. Stokes:** And that was the only reason given at that time.

**Hon. Mr. MacNaughton:** We are not just interested in that feature either.

**Mr. Stokes:** Because that was the impression that was created, certainly, in northern Ontario in all of the releases that came out—that it was because of the excessive damage to highway surfaces.

**Hon. Mr. MacNaughton:** It must have been misinterpreted. I made a statement in the House, maybe not as comprehensive as you would have liked but they claim—

**Mr. Stokes:** Oh, this was much before you appeared on the scene in your present capacity. This was well over a year ago that you were considering withdrawing the use of studded tires. When this ceased to be a position that was not as defensible as you originally thought it was, now you are saying that maybe the advantages to the use of studded tires are not as great as they once were thought to be.

**Mr. McNab:** I have a point to cover that point if I may, Mr. MacNaughton. Originally, we first become aware of the damage, unquestionably, and then, in the same research document reference was made to the possibility of the unsafe conditions that were created. Then before the ban was undertaken we went into two seasons, analysing the first season of research and the complete research with the Canada Safety Council and the provincial police in the next year, and it was on this basis—and the statement made by the Prime Minister and the then minister, covered it quite clearly—that our major reason for doing this was because much of the unsafe conditions could be recognized as caused by damage. We have all kinds of



documents which we would be very happy to give to you and to all of the hon. members, a complete docket to bring you up to date, a historical background, if you will, if you think it would be helpful.

**Mr. Stokes:** I wish you would do this because we have just been inundated by representations from the studded tire manufacturers. I am not at all impressed with them because I think that this is the department that has the responsibility for not only providing maximum safety, but protecting our road surfaces. I think that the PR jobs done on behalf of the manufacturers of studded tires have been much more efficient.

**Hon. Mr. MacNaughton:** They have constituted themselves into a strong lobby but I think you will be aware of the fact that this last number of months the effectiveness of that lobby has been diminished very greatly. I would suggest, Mr. McNab, we might make a compilation of these statistics and table them in the Legislature.

**Mr. McNab:** I would be glad to.

**Mr. Stokes:** I think it would be very useful.

I have one other area that I want to get into, and that is the licensing of school bus operators. I had occasion to get involved in a court case—it was about three years ago—where this chap had a franchise or a licence to operate two or three school buses and he had his wife driving one of them. She was the holder of a chauffeur's licence and because the number of occupants of this small bus she was operating was less than nine, I think, as spelled out in The Highway Traffic Act, she did not need a school bus endorsement. But apparently, the arresting officer, or the officer who stopped her, was not aware of the correct piece of legislation that governed the operation of that school bus.

Apparently he laid a charge under The Highway Traffic Act when it did not pertain. Apparently, due to the neglect of the lawyer, she did not appeal the decision within the statute of limitations which, I think, was 30 days. Of course, they felt very strongly that this should have been expunged from the record, and, as I say, due to the neglect of the lawyer, this was not possible to do.

I am wondering, have you run into any other cases where people were falsely charged and there was no way of getting this black mark removed? It was just a case of somebody operating a school bus with about nine pas-

sengers, and I think there is a leeway of three in the Act—I am not familiar with it. But apparently, she was wrongly charged. She was not involved in an accident or anything. She was just stopped on the road and the arresting officer said, "You are in violation of a certain Act," and it went to court and, as I say, due to the negligence of the lawyer, the case was not appealed within a certain time—

**Hon. Mr. MacNaughton:** That is deplorable.

**Mr. Bullbrook:** The member keeps reiterating that business about the negligence of the lawyer.

**Hon. Mr. MacNaughton:** I rather anticipated we would have a comment from you on that, Mr. Bullbrook.

**Mr. Stokes:** Yes. But is there any way that a person who has been falsely charged can have this black mark expunged from their record? It is the only one she has ever had. She has never been involved in an accident and because she was wrongly charged it is there and it is there for all time.

**Hon. Mr. MacNaughton:** I think the problem there arose—forgive me, Mr. Bullbrook—I think that could have been the fault of the lawyer in the first instance.

**Mr. Bullbrook:** There is no doubt about it.

**Hon. Mr. MacNaughton:** No doubt about it. I would not know what could be done about it because I am not a lawyer. Maybe I will have to rely on one of the lawyers here.

**Mr. Bullbrook:** No, but I think he is worried about her driving record, if I may say, rather than the conviction. You have some disquisitions, do you not?

**Hon. Mr. MacNaughton:** I do not know. Do we?

**Mr. Bullbrook:** It is—

**Hon. Mr. MacNaughton:** It leaves our record after three years, in any case, the registrar tells me.

**Mr. Bullbrook:** Is that what you were concerned about?

**Mr. Stokes:** Yes.

**Hon. Mr. MacNaughton:** She may not have long to wait until that will be expunged, as you put it, from her record.

**Mr. Stokes:** Well, could I have a letter to that effect, then? Because these people have



just been bugging the dickens out of me for the last three years.

**Hon. Mr. MacNaughton:** You write us the particulars and we will reply to you in proper form.

**Mr. Chairman:** Mr. Yakabuski.

**Mr. P. J. Yakabuski** (Renfrew South): Mr. Chairman, I did not want to get back to the studded tires but I had a comment, and I think most of the members here, including all caucuses, seem to be in agreement with the decision of this government to ban them.

This was pretty well documented when you tabled your report in the House this winter and I know I had many citizens approach me over the past couple of years regarding this and when I supplied them with that information they seemed to be quite prepared to accept it. But I have always felt that the challenge is not so much thrown out to the people in The Department of Transport—it certainly is to a degree—but the challenge should be thrown out to the tire companies. Certainly when we can develop all sorts of things in this age, we should be able to develop something that is not injurious to the roads and yet is quite safe.

Now, I am told in talking to people in the tire business—I had occasion just a couple of weeks ago to meet someone from the US who was with someone from here that is in the business—that there is a process, or a formula that is used especially on bus tires, mostly in the US, that makes them quite safe. I forget the name of that process. Maybe someone in the department would know it. It consists of hundreds of fine slits across, or diagonally across the tire. There is a name of that but it escapes me for the moment. But they tell me that this is quite safe.

**Mr. McNab:** Mr. Yakabuski, we have tested this, I believe, again with the Canada Safety Council, this year.

This is a natural rubber tread that they experimented with, with many vents in it. It has not been found to be as good as another device which is in the course of development. It is similar to a—if you recall the old tire chains, it is something that can be put on the car and left on all year. It is a composition, a rubber plastic type of composition that can be attached to the tires and you can get at least 10,000 miles wear out of a set of them.

This is extremely promising, better than studs, better than any other snow-tire type

and this is in the advanced stages of research. We have tested it, it has been tested down in the States. And we think that this is the most promising. But I say this because we are quite confident that when the challenge has been made banning these tungsten things, that something else will come up that will be not damaging to the road and not have the unsafe features. Unquestionably, I think in two or three years, something will come along to replace this.

**Mr. Yakabuski:** This is what I have always felt. I am just wondering—

**Mr. McNab:** If we are going to continue our testing?

**Mr. Yakabuski:** —about the riding qualities of what you mentioned, but it is too early to talk about that.

**Mr. Chairman:** Mr. Spence.

**Mr. Haggerty:** Mr. Chairman, may I go on with the same line?

**Mr. Chairman:** Studded tires?

**Mr. Haggerty:** The vice-chairman recognized me—that I wanted the floor, too, for a minute. I just wanted one question to ask.

**Mr. Chairman:** All right. Go on.

**Mr. Haggerty:** Are there any special categories of vehicles that are exempt from the studded tire ban—ambulance, fire equipment, anything like that?

**Mr. McNab:** No.

**Mr. Haggerty:** No? Everybody; it applies to every vehicle on the road then?

**Mr. McNab:** As a matter of fact, to my knowledge, there is no police fleet, certainly not the OPP or any major city police force, that has put them on, even when they were legal. I think that we would recognize—and very few ambulances that I have ever heard—maybe up in the north there were some. But I think we recognized that police vehicles—if there were advantages to having these, that they would have them on.

**Mr. Haggerty:** But there are studs on fire equipment trucks or vehicles, though?

**Mr. Stokes:** The Ontario Motor League endorsed them. I was talking to them.

**Mr. McNab:** In their ignorance. A lot of people—and I do not say this in any derogatory way—but a lot of things are considered

to be satisfactory, and as research goes on, whether it is drugs or other devices, we find out through testing and use that they do not live up to the sales pitch and they have these other factors that make them undesirable.

**Mr. Haggerty:** In other words there is no exemption?

**Mr. McNab:** No, there is no exemption.

**Mr. J. Root (Wellington-Dufferin):** Mr. Chairman, may I ask a question on that very same point? About the only people that I would have thought had a legitimate request to maintain the studs was the rural mail carrier. They are on the road every day, they are not on pavement, and they are up and down hills. Many of the rural municipalities do not sand their roads and they said this was a great asset to them in getting through with the mail.

Whether there could be an exemption we will say for a rural mail carrier—

**Mr. McNab:** Well I mean, you could go on forever, I say with respect, making exemptions. They are driving quite a bit of time when they are not on snow-packed roads, if they are normal people. In lifting the ban for them the minister would be saying: "Well, you are going to be less safe, but go ahead, you can take the risk." And in this instance I guess he is his brother's keeper is he not?

**Mr. Root:** The problem is that the rural mail carrier is on the road six days in the week. Most of his driving is on gravel roads where any damage would be filled in by the grader. However—

**Mr. Stokes:** What about rural MPPs?

**Mr. Root:** We take our chances.

**Mr. Chairman:** Mr. Innes.

**Mr. G. W. Innes (Oxford):** Mr. Chairman, I want to bring a problem to the attention of the department, that possibly every person who drives on 401 from Campbellville into Toronto must be confronted with, and that is the unbelievable amount of trucks that we are faced with as we come along there. I do not think that the department is putting its right foot forward when it allows this continually to be a real hazard in that particular area. I do not know how many have been in the same position as I have, and most other people, where you have two trucks going up-grade side by side for five miles and each one gunning it and saying,

"To hell, you are not going to get past me, I think I can get past you."

I wonder when the department is going to set up some type of regulation on these grades which are quite obvious in certain areas on 401 from Campbellville in, where your gravel trucks know very well that there is a grade there, but will pull out right in front of cars and as such cause real concern.

I think that there should be signs up on these grades where they must remain in one line on the right-hand side where they obviously know there is a grade and where they cannot get by.

**Mr. Stokes:** And maintaining a distance of 500 feet between them.

**Mr. Innes:** Certainly, and if they are not, there should be another lane put along on the grades on that particular juncture because it really is annoying and it is certainly a real hazard to all people concerned.

I do not know what the department is doing about it but they cannot be concerned about it because up to the moment I see nothing different. I do know that truck companies as such do run a check on their drivers, substantially so, and that they are reprimanded at times, but I would like to ask the department how many reprimands they have involved themselves with in connection with the trucking companies, how many suspensions—I should not say "suspensions", but I suppose "warnings"—or if there in fact have been any suspensions, by drivers who have caused these infractions. Mind you, I think there are discourtesies to the public at large who in the first place have allowed these trucks almost to take over this particular section of 401. I wonder if the minister has some comment because I really think it is long overdue.

**Hon. Mr. MacNaughton:** I might say, Mr. Innes, that I drive 401 in that area extensively myself and I am equally as concerned. I get so concerned when I drive it that I resort to profanity and, of course, I do not like to do that.

**Mr. Innes:** I have even done that myself.

**Hon. Mr. MacNaughton:** I daresay you have; knowing you, I am sure you would. There can be no question about it; we are aware of it. Again, I would have to say to the committee that the problem is one of enforcement. We do not enforce these regulations, these speed limit regulations, or anything else; it is done by the police. I think it



might be quite appropriate for me to indicate to the OPP or to the Attorney General (Mr. A. F. Lawrence) that enforcement is bad there, because that is all it takes.

To a very considerable extent if trucks would obey the signs that they see and stay on the right-hand side of the road except when they need to pass, and stick within the speed limit—because their speed limit, as you are well aware, is 60 versus 70 mph. If they would live up to the rules I think we would find it a great deal different, but the problem is one of enforcement, there is no question about that. I am quite prepared to take this up with the proper authorities who see that the existing regulations for the use of 401 are observed or enforced. This is the problem area. I see this go on all the time; it is not only gravel trucks, I see trailers, side by side, blocking the whole road, blocking the entire road, and for miles as a matter of fact.

**Mr. Innes:** Would you mind commenting on my proposal that there be signs where there is an obvious grade, where they should not be allowed to pass, really?

**Hon. Mr. MacNaughton:** Yes I would, I would consider that. I would like to see what a little extra enforcement would do first because all the signs and all the rules that there are, are no good unless they are enforced.

**Mr. Innes:** I agree. Mind you, the OPP can busy themselves with a car going 75 miles an hour when they certainly should involve themselves with these trucks that are going upgrade side by side for four or five miles.

**Hon. Mr. MacNaughton:** That is right. They back up a lot of traffic. I think it would probably require enforcement of the appropriate section of the Act. There is a section of the Act that involves following too closely. We have it prescribed, I think, 200 feet for trucks, 200 feet separation, and of course the section of the Act is honored totally in the breach as I see it and as you see it.

Possibly we should try out the enforcement procedures first. It does not matter how many signs you put up if they do not enforce them. People get to know it and they breach the rules.

**Mr. Innes:** That is quite true, but in the U.S.—and I do not want to use them as an example—but you do see signs, “No passing

on this particular grade by any truck,” you know. But do we have this on any of our highways in Ontario?

**Hon. Mr. MacNaughton:** I do not know that we do, but all highways if there is a double line—and this relates to sight and distance factors; if they cross the double lines, of course they are committing an offence too, so—

**Mr. Innes:** Well, I think you are kind of—

**Hon. Mr. MacNaughton:** It is there to indicate that there should be no passing. A double line or a solid line on your side means that you should not pass there. Now, if the grade is of sufficient degree, these double or solid lines will be there. They should indicate to anybody driving that there is a sight distance factor that should be observed. We can take a look at whether signs would do any good but I would suggest they will not do any more good than the present situation unless there is better enforcement.

**Mr. Innes:** Your double line is not on the four lanes and the hills too much; you have no double line on your four lanes on a grade. On a four-lane where they are running side by side, there are no double lines there.

**Hon. Mr. MacNaughton:** Very well, it may be that signs would help but I still get back to my point regardless of signs. There are signs there now that say they should not, you know. They are supposed to drive at a lower speed, they are supposed to maintain 200 feet between each other, so they are not observing those things.

**Mr. Innes:** Let us try a couple of signs on steep grades there and just see what will happen.

**Hon. Mr. MacNaughton:** I would like, for instance, to ask the OPP to get in there and enforce it for a while and you will see a tremendous difference. We had all those problems when we only had single-lane traffic on sections from London to Windsor, but when we put more enforcement on it I can tell you it changed very dramatically. It is worth pursuing, Mr. Innes, there is no question about it.

**Mr. Chairman:** Mr. Deacon.

**Mr. Deacon:** Going back to studded tires, from my personal point of view I want to make it clear that I do not think much of studs. I have never found them of any value



even in the north country and I have driven many thousands of miles in the north country in the winter and at different temperature ranges and under different snow conditions; but I think it is up to the driver. Some drivers feel they are safer that way. But for that reason, and since we already know the amount of wear that they will cause, it should be possible for us to put a tax on studs and have those who want to use studs, in effect pay for the wear they cause. In this way, if people want to have them, okay, it might work out that the tax will be \$35 a tire. But in that way we would have compensation for the repair of the highways. We still would not overcome the problem that for a period of time the highway surfaces would not be as safe.

**Hon. Mr. MacNaughton:** But, Mr. Deacon, we have just said that it is a safety factor that concerns us more than the wear.

**Mr. Deacon:** The safety factor on the road surface, but not the safety factor in the studs particularly.

**Hon. Mr. MacNaughton:** But the studs are dangerous. They contribute to the lack of safety.

**Mr. Deacon:** I did not understand that from the remarks that I heard in this, because Mr. McNab—

**Hon. Mr. MacNaughton:** We are going to table a compilation of the research in the Legislature as soon as we can put it together. But if you license them, you still would not eliminate the safety factor that concerns us.

**Mr. Deacon:** The safety factor, I thought, was about 50-50 on the situation. There are areas where it is safe and other areas where it is not. When there is a personal choice to be made in the situation, some have preference. As long as they pay for the damage they cause through a tax I could not see that we have to impose our regulations upon them.

**Hon. Mr. MacNaughton:** How do you allow studs in a tire in certain areas and on certain roads and not others? Do you take them out when you leave one road and go on another?

**Mr. Deacon:** No, I am not saying you do. I am saying that when you buy studs you then contribute by a tax to the funds of this province in sufficient amount to pay for the damage they cause. Certainly, you have worked out the damage and wear they cause. I understand the tax on it would work out to

around \$35 a tire. That would certainly discourage many people from buying them, but it also would mean that we received compensation for the damage they caused. That is one area of covering it.

But the second thing that does bother me is that this regulation applies to all vehicles that operate within the province. I cannot see that that is necessary in view of the fact that any visitors coming into the province from outside would only be here a short period of time. If they become residents they have got to register in Ontario, but under such conditions they would not be able to have studs. I think the prohibition should only apply to Ontario-registered vehicles. I think we are interfering with trade, and not just trade, but interfering with people who are coming in from other parts of the country where they do not have such a prohibition.

**Hon. Mr. MacNaughton:** I have commented on that in the House.

**Mr. Deacon:** I heard the minister.

**Hon. Mr. MacNaughton:** I think it would be a piece of gross unfairness to permit out-of-jurisdiction drivers privileges that our own citizens cannot have.

**Mr. Deacon:** The reason I do not agree with this position is that you are assuming that these privileges are going to be for the same period of time that we would then have. We who live here all the time enjoy these roads all the time, but why should we be concerned about someone coming to pay a visit to our province and saying to them at the border, "Sorry, you have got to take your studded tires off before you come in." I do not see that the damage they would cause should be of concern to us.

**Hon. Mr. MacNaughton:** I think that is splitting hairs, and I have to say it on those terms. I do not think we can do that. I do not think our own people would tolerate it.

**Mr. Deacon:** Why would they not tolerate it? It is very seldom other people come into the province for other than a visit.

**Mr. R. K. McNeil (Elgin):** The Liberal policy—discriminating against the people of Ontario.

**Mr. Deacon:** They are not here all the time. I think it is ridiculous to think we cannot have a law on the basis of it applying only to those registered here.

**Mr. Yakubuski:** Mr. Chairman, I do not think in a while there will be studded tires. Many of our neighbouring jurisdictions will not have studded tires in the near future.

**Mr. Deacon:** That would be up to those jurisdictions. But, in the meantime, we do not need to embarrass visitors coming to the province who are told as they go across the border they may not drive in Ontario. I think it is a poor way for us to receive guests. I suggest the minister change the basis whereby it applies to Ontario-registered vehicles only.

**Hon. Mr. MacNaughton:** I cannot give the hon. member any encouragement whatsoever that that will be done.

**Mr. Chairman:** Mr. Gaunt.

**Mr. M. Gaunt (Huron-Bruce):** Mr. Chairman, I just wanted to make one brief comment, and it goes back a little way in the discussion, with respect to vehicle inspection. It seems to me that there are some problems associated with the present programme. I wonder, and at the moment I am wondering out loud, if, in fact, we would not be better to do it in the same fashion as they do it, I believe, down in New Brunswick—it is one of the eastern provinces, in any case—where they have to present a certificate of mechanical fitness when they get their licence. It seems to me that that system is much superior to setting up spot checks throughout the province and, in some cases, pulling these cars off the road and inconveniencing people whose cars are taken off the road. But, aside from the validity of it, I recognize that there are undoubtedly some of them that should be off the road. I am talking about a system whereby a man could go into a service station, knowing full well that in a week or two he was going in for his licence, and, at the same time he applies for his licence he hands the certificate of mechanical fitness to the person serving him and, having done that, he gets his licence.

So you effect universal inspections and you do it on a basis that the owner of the vehicle does it on his own volition and not at the initiative of someone else who pulls him off the road and tells him to go through the safety check.

The way we are doing it now we are just spot checking. We get a few of the cars off the road but if an owner of an older vehicle, who knows full well that he has no chance of passing the vehicle inspection test, hears that the department is coming to town, he locks his car up in the garage for three days

while the inspection takes place. After the inspector and the equipment are out of town he brings his car out of the mothballs and away he goes again. In this system, it seems to me that we would really have a universal programme and an effective programme.

**Hon. Mr. MacNaughton:** Suppose I let Mr. Aiken comment on that, because he has much information on it. I have some doubt about whether we have enough mechanics to do this for three million vehicles in this province. I would have great doubts about it. I do not think we have got enough mechanics, to start with.

**Mr. Gaunt:** All right.

**Hon. Mr. MacNaughton:** To do this on an annual basis, I doubt very much if we have.

**Mr. Gaunt:** Cut it off at a certain year. All vehicles below 1969 models have to have a mechanical fitness certificate when their owners go and get their licences.

**Hon. Mr. MacNaughton:** Would you like to comment?

**Mr. Aiken:** Yes, Mr. Chairman, the member makes a point with respect to work load and the inability of the industry to take on this kind of volume over a very short time. This is not to say there are not methods by which you can spread it out over the year. There are. But there is a growing—I think I might describe it as disenchantment—with the universal compulsory vehicle inspection requirements as found in a number of states and in a number of Canadian provinces.

As I mentioned earlier, we are continuing to seek a method whereby we can identify with some precision those classes of motor vehicles that could profitably be inspected. As you do that then, the amount of dollars and resources that you are prepared to devote to this particular activity on a cost benefit basis, of course, becomes a much more attractive activity. There is a problem in that motorists in these jurisdictions where they are subjected to this type of regulation have some concern that they are delivered into the hands of the industry. There is a concern, and this concern, I think, is evidenced by the numbers of bills that have appeared in American legislatures seeking relief from this, because they feel they are going to be subjected to either overselling or overcharging or any one of the things that can occur when you present a captive audience to a service industry.



The Ontario situation has turned itself in another direction, and, that is, it has attempted to identify those vehicles that most profitably can be examined. About one-third of the vehicle population each year—a great segment of it; almost 800,000 vehicles undergo a very stringent inspection, one that may take up to better than an hour in some cases. All the wheels come off the car so that they can check the components of the brake system.

This is an alternative to the type of inspection you would find in a number of American jurisdictions where it takes two or three minutes. This is helpful. It certainly picks out those that are most likely to be obviously unacceptable as vehicles on the highway.

The other problem is that with the growing disenchantment with the system there is concern that if there are sufficient numbers of people who cannot recognize quickly the benefits from it, you may find growing pressure to turn away from that, rather than to increase it. This is one of the major problems—continuing public support.

The member for Huron-Bruce mentioned that there are some vehicles that could escape the net. This is quite true. One of the devices that is available in Ontario perhaps to minimize this is the ability of the police officer in a given community, in advance of, for example, a visit of the spot-check equipment—that is the portable test lane—to issue an invitation to the owner or operator of that vehicle to attend at the lanes when they arrive so that he has some alternative to extend his influence beyond the week or the two weeks or the period of time that the vehicle is there.

The last thing I would say to you, sir, is that with the universal and periodic inspections system there is some concern in some jurisdictions again that motorists will attend to the car's needs in order to meet that particular date—but it does not necessarily encourage them to have good maintenance practices throughout the year. This is one of the advantages of the spot-check system.

California and Michigan—two rather large jurisdictions—perhaps share the views of the Ontario Legislature. They see the benefits of the random or spot check in encouraging good practices all year round.

**Mr. Gaunt:** The latter point I can see.

**Mr. Chairman:** Mr. Rollins.

**Mr. C. T. Rollins (Hastings):** Mr. Chairman, there were a couple of items. I agree

wholeheartedly with what Mr. Innes said about trucks passing—we have some east of Toronto as well as west, on 401 and 115 on a lane there that creates a terrific hazard especially on weekends and heavy traffic times, and this is something.

I would like to ask the minister, Mr. Chairman, about positive traction tied in with studded tires—if they have done any research on cars that are equipped with positive traction, because positive traction under certain circumstances is a real hazard to safety when not used properly for stopping purposes. Have you got any information on positive traction tied in with or without studded tires?

**Hon. Mr. MacNaughton:** I do not know. I will find out. I have had some experiences myself and I will never buy a car again with positive traction, I can assure you of that. Never again.

**Mr. Rollins:** That is the experience that I have had with it and never again would I buy a car with positive traction from a safety standpoint because if you do have to stop quickly, you do not know what is going to happen.

In addition, one tire wears faster than the other on a positive traction car and naturally would cause the same sequence on a car that was equipped with studded tires.

**Mr. Haggerty:** We should ban that type of vehicle.

**Mr. Rollins:** They are not safe.

**Mr. Haggerty:** If they are not safe they should be banned.

**Mr. Rollins:** In my opinion positive traction cars are not safe from a safety standpoint.

**Hon. Mr. MacNaughton:** I agree with Mr. Rollins on this personally because my experience has been bad. That is one good reason. I think it is held by many people, that you are better off without positive traction. Mr. Aiken has indicated to me that we will look at this situation.

**Mr. Rollins:** Mr. Minister, does The Department of Transport inspector have the authority to check trucks that are not driving in keeping with the regulations on the highway, or is it strictly the OPP?

**Hon. Mr. MacNaughton:** Mr. Humphries tells me that it is left strictly with the OPP, with the exception of certain equipment items.



**Mr. Rollins:** Certain equipment items—but not as far as their driving habits are concerned.

**Hon. Mr. MacNaughton:** No, that is left to the OPP.

**Mr. Rollins:** Mr. Minister, there is only a small percentage of drivers that are causing this situation, because by and large the trucking industry operators, and especially the reputable ones, are the most courteous people on the highway to give assistance to people in trouble. In some cases they will pull off. There is a minority that makes the image very bad. But they are not—

**Mr. E. W. Sopha (Sudbury):** There is a beer company, is there not, that will stop and fix your flat?

**Mr. Haggerty:** Labatt's.

Interjections by hon. members.

**An hon. member:** From that great London area.

**Mr. Rollins:** It is generally the practice of courtesy drivers in the trucking industry, but there are a few—and I do not feel that the industry should be put in a spot, but the ones that are should be taken care of, and in a proper manner.

**Mr. Spence:** Mr. Chairman, in regard to the disappearance of the white line during the winter and spring: there is a real hazard to many people without that white line that wears away. I think the studded tires had a lot to do with it.

Is there any material used for the white line that can be repainted in the wintertime? Is there any effort—I understand you had glass?

**Hon. Mr. MacNaughton:** Do we paint them in the wintertime?

**Mr. Spence:** Yes.

**Mr. McNab:** We have done it. It will last one or two days, sometimes not that. There is no way you can paint under winter conditions, or there is no way you can paint when it is wet. The studded tires are the real villains in this. We have ample experience with that.

Prior to the advent of studs, by April there was still a significant amount of zone striping left on the highways. Now in heavy traffic areas where there is weaving or lane passes or at intersections, the zone striping is all

gone by Christmas, and there is nothing we can do that will have any effect whatsoever for anything longer than a few hours in the wintertime.

Some of the detours we have attempted to do in the wintertime and there is no use. This is experienced in—

**Mr. Haggerty:** You would not say that salt is a big factor?

**Mr. McNab:** No, no. We have been using salt since 1943.

**Mr. Haggerty:** That is very odd. I can think of Highway 3, which is a four-lane road at the present time, east of Port Colborne, which is the two-way traffic, and you do not cross that centre line. There may be a six-foot strip in there that is marked by strip crossings and after every spring the white line is pretty nearly gone.

**Mr. McNab:** Sure, after the spring—

**Mr. Haggerty:** Yes, but it is not the cars crossing it.

**Mr. McNab:** No, but we have to repaint sometimes in the middle of the summertime.

**Mr. Haggerty:** It is the salt that is a factor.

**Mr. McNab:** There is no salt in the summer. We do not use it in the summer at all.

**Hon. Mr. MacNaughton:** There is bound to be some wear and tear—even normal usage of tires has some effect, but nothing like studs. They eliminate them.

**Mr. McNab:** I think the best illustration is what we used to see, particularly on 400—and there are other areas—where we used to test all the various batches and types of paint. We used to have a whole row of strips that we put on in the fall to try to test to get the best type of paint. The last three years those tests have been useless because by Christmastime the darn studs had everything all worn off. There was nothing left. But prior to studs we used to be able to measure the amount of paint left at the end of the winter season. Now that type of test is useless in those areas.

**Mr. Martel:** Is it the department's intention—I have been asking for several years—to have the yellow line painted more and more on the outside. I think these are a tremendous advantage—

**Mr. McNab:** We have a programme of doing that, sir.

**Mr. Martel:** It has not reached across the province.

**Hon. Mr. MacNaughton:** Big province.

**Mr. McNab:** We are doing it on all the curves you will notice and on all the class A highways.

**Mr. Martel:** It is certainly a first-rate aid for night driving.

**Hon. Mr. MacNaughton:** Yes, there is no question. No question.

**Mr. Martel:** I would like to see it right across the province.

**Hon. Mr. MacNaughton:** Eventually it will be. No question about that.

**Mr. Chairman:** Mr. Spence.

**Mr. Spence:** How much paint is used by The Department of Highways?

**Hon. Mr. MacNaughton:** That is the wrong vote. We will have the material in the Highways estimates.

**Mr. Deacon:** In connection with spot-checks, would it be a good idea, or do we have now any arrangements where we retain outside firms who would tender for doing the actual checks so that we can augment our inspection staff when we are going through these programmes? Would that be a way of increasing the number of vehicles that can be covered? One point that comes to mind is that facilities we have for inspection are certainly ones, if you include the garages, that can cope with the vehicles of the province and greatly increase what we are doing. I am one who is concerned that our present programme has perhaps not sufficient detailed inspection to pick up some of the vehicles that are not roadworthy.

For example, many school bus operators are very concerned about the checks that are done on many of the school buses. They feel that they are too cursory, that they do not check the buses, for example, when they have just gone into a schoolyard and unloaded their children, and then take them to a garage where they get put up on a hoist and really get thoroughly checked. They feel that so many of these checks are done in that way. There is no real concern on the part of many operators that they are going to be found having vehicles that are below standards. I would like to hear that something is being done to assure the school transportation

people that a very thorough programme of inspection is now being carried out.

**Hon. Mr. MacNaughton:** I think you can do that. You can safely do that. You might indicate to Mr. Deacon what you have just expressed to me, Mr. Humphries.

**Mr. Humphries:** The regulations under The Highway Traffic Act require two certificates of mechanical fitness to be filed during the year. Those certificates must be filed by a licensed mechanic and they are in-depth inspections of the school bus. The inspection that our inspectors do is really an audit to make sure that those certificates are being validly issued; that is the purpose of our check.

**Mr. Deacon:** But those certificates are being provided at certain fixed times of the year?

**Mr. Humphries:** Yes.

**Mr. Deacon:** Are they?

**Mr. Humphries:** That is right.

**Mr. Deacon:** Would they not cause the same weakness? I am sorry, I have forgotten his name, but he mentioned earlier—

**Hon. Mr. MacNaughton:** Mr. Aiken.

**Mr. Deacon:** Mr. Aiken mentioned earlier that if we had our people provide a mechanical fitness test or stipulate every time they got their licence, they would be sure their vehicle was in good shape. Only through surprise inspection of a detailed nature can we be sure that this proper audit is being done of the vehicle.

**Mr. Chairman:** Vote 2302 carried?

**Mr. Deacon:** I have two more items, Mr. Chairman.

**Mr. Humphries:** Sir, we actually have that situation under review and we will have some proposals in that respect.

**Mr. Deacon:** That is good, so that will be something that will be covered to ensure that in effect the same spot checking in depth is being done that we are talking about in regular vehicles.

Now in connection with new CSA standards for school buses, I understand that Ontario has not adopted the standards that Alberta has and there is some problem of jurisdiction in this matter.

**Hon. Mr. MacNaughton:** I guess you were not here when we discussed that before. We will provide—

**Mr. Deacon:** You have already discussed that?

**Hon. Mr. MacNaughton:** Yes, we have discussed it. We know the standards. We have the standards recommendations here in the process of writing regulations.

**Mr. Deacon:** Right. Will there be a change-over, or I suppose you call it a grandfather period, that will allow for the seven year write-off to which school boards now pretty well limit bus companies in depreciation? The problem is that right now some school boards are asking for 72-passenger or larger buses and I understand this regulation will be for 66. Is it limiting them to 66 passengers?

**Mr. Humphries:** There has to be authority obtained in The Highway Traffic Act to adopt that standard, the CSA standard, which applies to the whole bus.

**Mr. Deacon:** Correct.

**Mr. Humphries:** The Highway Traffic Act gives authority to set standards in relation to certain items, but there is not authority there to adopt a standard for this whole complete school bus, so the Act has to be amended to adopt that standard.

The manufacturers now are prepared to make their buses to that standard. The CSA standard has been published and it has been accepted by the manufacturers and they will be complying with this standard. In fact, I think some of them are complying with it right now.

It is true that Alberta has proclaimed their legislation and are adopting the standard, but our information at our meeting this week with the officials of the other provinces is that it is not in effect. They have proclaimed it, but it is not in effect as yet.

**Mr. Deacon:** Well, the—

**Hon. Mr. MacNaughton:** I might add that that is in our new legislation which we will be presenting to the Legislature very shortly.

**Mr. Deacon:** And these regulations, of course, will be made known as soon as possible, so that school boards will not be calling for buses that are beyond the regulations and there will be a sufficient time allowed in the regulations for a write-off of

old vehicles? Or how will they handle the matter of vehicles that are not being—

**Mr. Humphries:** It will apply to new vehicles only.

**Mr. Deacon:** Yes, I see.

**Mr. Humphries:** And that standard is available. If they want it, it is available.

**Mr. Deacon:** The last point I want to discuss, Mr. Chairman—

**Hon. Mr. MacNaughton:** It is not written into the regulations, though.

**Mr. Humphries:** It is not in the regulations yet, but CSA—

**Hon. Mr. MacNaughton:** We have to get the legislation.

**Mr. Deacon:** You will be bringing that legislation in and it will be applying to new vehicles only.

Will there be anything in your new regulations to limit the age of school vehicles, or will you go strictly on the basis of the inspection being sufficient to certify that the vehicles are safe, even though they might be 11 years old?

**Hon. Mr. MacNaughton:** No, I do not think we are considering any age limit, as long as it is mechanically worthy.

**Mr. Deacon:** The next area I wanted to ask is that I approached the minister's predecessor about driver training schools actually having standards of performance. There was some concern at that time as to whether it should come under The Department of Financial and Commercial Affairs or this department. I would hope that this would be the department it would come under, because this department is one that really is knowledgeable in the whole area.

I was very interested in the comments that were made yesterday by Mr. Humphries on the problem of good training having a good effect on drivers for a limited period of time, but the concern of good driver training schools is that many operations are perhaps not legitimate in the way they operate.

We do not have any standards that we require they meet in the provision of training. Many states, and I think, other jurisdictions have imposed these and there has been a continual pressure for us to do the same.

**Mr. Humphries:** The policy to the present time, sir, has been that the standard for



driving, of course, is in the examination for your licence. So therefore if you have to meet that standard, then you must qualify—whatever driving school you are going to, you must meet that standard. Everybody meets the same standard.

**Mr. Deacon:** Right, that is the end product of the driving school.

**Mr. Humphries:** Right, that is the final test, wherever you learn. There have been a number of representations made that there should be a regulation or control of the type of instruction that is given.

**Mr. Deacon:** Right, that is what I am talking about.

**Mr. Humphries:** This gets into the area of consumer protection really. It is not only the training, but it is many other practices that the schools carry on, such as advertising practices.

As I said, to the present time it has been felt that the real problem with the demand for driving school regulation is really more in relation to consumer protection than it is to driving standards. Now, we do license the driving instructor and the driving instructor must meet a certain standard before he can be an instructor and be licensed.

There have been recent representations and it is being looked at—but the whole problem, if you look at it closely, is really a consumer protection problem.

**Mr. Deacon:** I agree, Mr. Chairman, that this is a consumer protection problem, but it is one that really you have the expertise on. The Department of Financial and Commercial Affairs is not in the same position as this department is really to protect the consumer. I suggest that the public is not concerned about which department handles it, it is a matter of which is the department that can do the best job.

I would urge the minister to consider assuming this responsibility under his aegis. I am sure The Department of Consumer Affairs is not particularly jealous about the situations which you might handle yourself instead of them. I would feel that the schools should be brought into legislation as has been done in many other jurisdictions. I would appreciate the minister's thoughts on this.

**Hon. Mr. MacNaughton:** Certainly we will consider the recommendations you have made. I would not have any idea how The Department of Financial and Commercial Affairs

feels about this and I do not know that that needs to concern us. It is wherever the function can be handled the best, I would assume.

**Mr. Deacon:** We have been discussing this for three years or perhaps more. Perhaps there could be some resolution in the matter. I wish the minister would give some ideas as to what he would do to resolve the matter in the near future.

**Hon. Mr. MacNaughton:** I have some material on this. We have received representations from the driving school associations on this matter. I have not seen it in detail yet. I presume it is to develop a degree of uniformity and to really do what you are recommending.

Vote 2302 agreed to.

One vote 2303:

**Mr. G. E. Smith (Simcoe East):** Mr. Chairman, I would like to ask the minister if it is still illegal for the larger trucks carrying non-perishable items to operate on the roads on Sunday?

**Mr. Humphries:** That is a matter under The Lord's Day Act administered by The Department of Justice.

**Mr. G. E. Smith:** Further to the question—

**Mr. Humphries:** Let me say, except for two companies who have Sunday operating rights issued by the federal Department of Transport. One company is a Quebec company operating from Quebec and Ontario to New York. The other company is one operating from the Maritimes into Ontario.

**Mr. G. E. Smith:** The problem that has been drawn to my attention—and this may also have been drawn to the attention of the member for Parry Sound (Mr. A. Johnston)—is that in many cases the people returning from the north on weekends, Sunday night, where it is only a two-lane highway north of Gravenhurst, the large transports loaded with lumber are starting out in the early evening and they are dragging up the hill and bottlenecking the traffic.

I had one local resident in my area complain to the OPP about it and they said this was a matter for The Department of Transport. He spoke to one of the local transport inspectors and they said this was a problem for the OPP. The gentlemen, one of my constituents, came to me and asked me if I

could clarify it. This just happened on the last weekend and I thought this was a good chance to clarify it.

**Hon. Mr. MacNaughton:** I think we will probably find the enforcement people are applying a little bit of latitude or tolerance in this area.

**Mr. G. E. Smith:** Well I think that they should perhaps take a second look at it in this case, because it is really causing quite a hazard on the two-lane highways where the weekend traffic is particularly heavy. I can understand it where there is not any traffic congestion, but I—

**Hon. Mr. MacNaughton:** There are long hauls, too. I would have to say in defence of what is going on, there are long hauls from the point of origin to the point of destination. That is a hardship on the part of the Sunday drivers. It might be a bit of a hardship if it was enforced too rigorously on those that have to make a long haul. I do not know.

**Mr. G. E. Smith:** The only thing I would say, again—and I will ask one other question along a similar line—is that in assessing it they should at least assess it with regard to safety, because some of the motorists get a little impatient and they will pull out. They should really take a long look at it, as to whether it should be enforced a little more strongly.

And speaking of speed—and this still comes under the Highway Transport Board, I would assume—I would agree with what was said about the operation of the trucks in the earlier vote particularly, but the thing that concerns me is the faster speed. I come down 400 and I am concerned—or the OPP I guess you could say are concerned—with my driving if I am five miles over the speed limit; yet many trucks pass me at 70 and 75 miles an hour, and buses as well, and I am wondering if the message should not include this? But what I am coming back to is—

**Mr. Bullbrook:** Inclement weather should vary that too.

**Mr. G. E. Smith:** That is right. Is it not possible for your inspection people to work out some kind of a point system through the Highway Transport Board that would affect the renewal of the transport licence? In other words, I know of slightly irresponsible truckers who in the half-loading system season will go full load and say, "Well I can afford

to pay the fine, you know. It is still money in my pocket to take the full load."

I am wondering if there has ever been any thought given to a point system, whether it comes under a highway traffic violation or under the PCV department of the inspection branch, if there is any thought of perhaps making the truck owner a little more aware of some of the penalties rather than the driver? I throw that out as a suggestion.

**Hon. Mr. MacNaughton:** Well it might be interesting to hear the views of the chairman of the Highway Transport Board on this matter, I would suggest.

**Mr. E. J. Shoniker** (Highway Transport Board): Mr. Chairman, answering the question, we do keep track of all the violations committed by carriers licensed under The Public Commercial Vehicles Act. When they have a series of infractions alleged against them, usually up to four, unless they are overweight—we are not as concerned with overweights if they are under 5,000 pounds—but anything over that, and any infraction under The Highway Traffic Act or The PCV Act, which refers to truckers, we bring them in after they have five convictions, we review their operating authority, warn them and sometimes put them on temporary authority. We have on some occasions recommended to the hon. minister that their licences be cancelled.

**Mr. G. E. Smith:** So that you are really assessing each—

**Mr. Shoniker:** We are reviewing approximately 500 licences a year.

**Mr. G. E. Smith:** Thank you, I am glad to hear that.

**Mr. Chairman:** Mr. Bullbrook.

**Mr. Bullbrook:** Yes, Mr. Chairman, I am going to be at some length unfortunately, and I invite of course the interjection of the minister.

**Hon. Mr. MacNaughton:** You have half an hour.

**Mr. Bullbrook:** Are you not coming back tonight?

**Hon. Mr. MacNaughton:** Oh yes, but we still have half an hour this afternoon.

**Mr. Bullbrook:** In the House approximately a month ago I expressed concern to the



minister in connection with what might be categorized, or characterized rather, as a tendency toward some type of monopolistic control by one, John L. Skinner, of London, Ontario, in connection with public transportation in the Province of Ontario. And the minister was kind enough at that time to assure me that he would have, through the Highway Transport Board, information available to us upon inquiry.

Before I get into that I want to make some preliminary remarks prior to questioning of the minister and perhaps the chairman, if it is permitted; and that is, that as we did undertake—some of us in this party—an analysis of public transportation, especially in the school field, and public transportation on a municipal level, it became apparent—and I think the minister might agree—that in almost every municipality there is an obligation to subsidize their local transit system.

And it seemed that this was done legitimately within the autonomous responsibility of local councils, because it was almost proven to them that local transit systems—and I do not speak of the metropolitan area but outside the metropolitan area—just did not operate on a paying basis.

As we undertook further investigation into the significant growth of the empire of Mr. Skinner one had to ask the question, "Somebody is making a great deal of money somewhere in the field of public transportation in the Province of Ontario." I am talking about personal transportation, not goods transportation. I just want to read into the record information that we have been able to gather, and it is not full at all. It is not full. I will promise to say that Davies Bus Lines, for example—which has the monopoly on public transportation in the city of Sarnia under a private bill for a period of 10 years and was acquired by Mr. Skinner—is not included.

Mr. Skinner, as you know, has acquired the limousine airport transport service, which itself is a monopoly, and in talking about this it is not our purpose to either insinuate into the record or propound directly any great vendetta against Mr. Skinner. I happen to be a member, with great pride, of a private enterprise party. I see nothing wrong, basically, with the initiation of response to a public need through the private enterprise system.

I wonder, however—and this is the kernel that I tried to convey to the minister—whether through the Highway Transport Board—and there is a question too, as to whether they have a direct responsibility in this field as a result of automatic licensing. I am inclined

to think that it is a policy matter. I wanted to digest this with the minister and with the chairman afterwards, whether they do have an obligation to look into this.

Now, Mr. Skinner as I recall had a charter called Skinner School Bus Lines (St. Thomas) Ltd., which apparently was either incorporated or chartered on June 28, 1962. This was amalgamated, Mr. Minister, confirming a joint agreement. The letters patent of amalgamation bear the date May 29, 1969, and were issued under the Charterways Company Limited. The amalgamation consisted of Charterways (London) Limited, July 14, 1959; Spring Bus Lines Limited, October 8, 1965; Sarlon Coach Lines Limited, February 7, 1963; Charterways Limited, June 1, 1965; Exeter Coach Lines Limited, March 8, 1946; Skinner School Bus Lines Limited, July 14, 1959; Skinner School Bus Lines (St. Thomas) Limited, June 28, 1962. I do not think it is necessary to get into the directors of the company, because this is not a personal thing.

I only read this into the record, firstly, to convey a tendency at least toward a monopolistic situation and, secondly, to show that one is able to acquire what manifestly is an equity position of this significance. Somebody is making a great deal of money some place.

I digress for a moment to say that the minister will recall that I questioned the Premier (Mr. Davis) in the House, concurrent with his statement of policy about greater assistance in public transportation. As a member outside the metropolitan area and not being knowledgeable and not wanting to open any wounds about the government involvement with Spadina, I asked him at that time about the impact of additional assistance to public transportation where it is vested under law in one individual.

This causes great concern, and I am sure will cause the minister concern, and he might want to get into this aspect of it, because with the lesser subsidy position that we now have in the public municipal transportation field, and having regard to the new policy, there has to be something done. I wish to record that there has to be something done, for example, with private legislation that vests for a number of years in Mr. Skinner the undivided right to public transportation in my community. And if we are going to subsidize it further, let us make sure we are not subsidizing out of the public purse one individual.

I now continue to read again from the companies. Skinner School Bus Lines (St. Thomas) Limited consists of the following



subsidiary companies. Again I must digress and record that this is the information that we have available to us and I would not, in any way, wish to take an oath to the fact that it is all correct. This is information that we have and we put it forward in good faith. I do not temper the good faith in putting it forward.

So Skinner School Bus Lines (St. Thomas) Limited consists of the following subsidiary companies, according to our information: Skinner School Bus Lines, Skinner Company Limited, Skinner Grant Investments Limited—I stop again.

One of the things again, Mr. Chairman, that causes me concern—and I want to go into it—is the financial background of these dealings, the acquisition of companies. I want to find out the obligation the board feels in this connection, because although I am not familiar with the practice before the board, never having had the honour of appearing before you, I am given to understand that in an ordinary PCV application having regard to its total responsibility to the public the board is concerned with the financing background.

So I had read—and I am sorry for the balance, Mr. Chairman, in saying that I do want to see what the board has done in connection with the financial arrangements that Mr. Skinner has arrived at from the point of view how stable is the empire that he is building up and, importantly too, where is the money coming from? This government has just adopted a policy with which we in the opposition, the loyal opposition, wholeheartedly agree with minute reservations in connection with the book publishing industry and acquisitions.

I want to know whether American capital is not behind Mr. Skinner. I think it is significant. I think we have every right in the world to look into this, because let alone that we would not want the book publishing industry to be controlled by foreign capital, I am certain that we do not want to have the school bus transportation and municipal enfranchisement taken over indirectly by foreign capital.

So I had read—and I am sorry for the digressions, but these things are important in my mind—I had read Skinner School Bus Lines, Skinner Company Limited, Skinner Grant Investments Limited, Skinner G.L. Limited, Skinner J.M. and Company Limited, Skinner Sport Shop Limited, Thomas Skinner of Canada Limited, Skinner Lake Gold Miners Limited, School G.B.L. Buses Limited,

Bus Sales of Canada Limited, Lines Limited, St. Thomas Automotive Supply Limited, St. Thomas Car Company, St. Thomas Street Service Limited, Skinner Investments Limited, Skinner Management Company Limited, Skinner Motor Limited, T.J.S. Skinner Company Limited, Skinners Limited in Manitoba, School and Camp Outfitters Limited, St. Thomas Realty Company Inc. in Quebec, Sko Construction Limited and the St. Thomas Athletic Association Limited.

Those are the companies of which we have present notice and I must say to you, sir, that—

**Hon. Mr. MacNaughton:** May I interject?

**Mr. Bullbrook:** Yes, surely. Surely.

**Hon. Mr. MacNaughton:** Your observations are indicating—I believe I am correct—that the subject person of your discussion has an interest in all of these?

**Mr. Bullbrook:** This is my information. This is my information. I would believe so. Our information is that the directors of the original amalgamation of Skinner School Bus Lines (St. Thomas) Limited—the president of that company is one John L. Skinner who lives at 1265 Richmond Street, London, Ontario. There are others. I do not think it is necessary that I mention them. I know a lawyer, and I think he is there primarily because he is legal adviser to Mr. Skinner. I do not know the internal shareholdings, Mr. Chairman or Mr. Minister. I do not really think it is important frankly from the point of view—

**Hon. Mr. MacNaughton:** I would not know that either.

**Mr. Bullbrook:** I would think that the minister would not. One would assume that he has a significant equity position in these things. If he has not, then we have to concern ourselves, from a public point of view, how much equity position does he have? This begs that other question.

We want to put on the record that we feel, because of the failure of the province of Ontario to keep pace legislatively with the rapidly growing industry in this province, that school transportation in Ontario is subject to many of the problems first encountered in shipping and trucking firms practically half a century ago. There is at present no effective legal means of protecting the operation of smaller school bus companies,

therefore large firms often have the opportunity to—and they do—take advantage of this, we say respectfully, governmental negligence.

We say that we have not looked at this and we should have looked at this. The fact that larger companies have an opportunity to achieve monopoly control of school transportation in particular areas is almost intrinsically wrong. As has been shown in so many histories, monopolies mean higher prices and poorer service. That is basically the attitude that is put forward by our party. The fact that Charterways is an extensive operation—I want to add, for example, in that list of companies Davies Bus Lines was not included, as I said, Davies which holds the private bus charter in our city. I am not saying that they are not a good operation, but you recognize the difficulties concurrent therewith. My information, for example, is that Mr. Skinner operates also in Sault Ste. Marie. He certainly operates in North Bay. He operates, as I have mentioned, in Exeter; he operates in the Windsor area; he operates extensively, of course, in London; he operates in the Niagara Peninsula, and I have maps here that I am not going to file in this connection showing in effect where he does operate in the province of Ontario.

Again, the fact that Charterways is an extensive operation does not incriminate the company, and this list is only used to give a better understanding of the assets involved. There are several different tactics that may be employed to secure school bus contracts in areas where some operator already services the run. These tactics usually require either the reasonably plentiful supply of money or unethical business methods.

One of the facts of the school bus operation is that a different write-off will completely change a comparison of two otherwise similar bids. If a man should bid on a run and plan to operate on that run, a bus that is six or seven years old, he can bid at a much lower price than someone who has a new bus and is tendering on the same route; both could have the same profit margin. In London, the area where Charterways is firmly established, the general policy of the company is to use the newer buses there, on their bread-and-butter routes. Charterways is giving good service and receives top dollar for these routes. Then after three or four years it will send those buses north to service a run there.

I think the chairman recognizes, as perhaps all members do, that basically they advertise the cost of these buses on a five-year basis in

working out their cost with the local board. And I am not saying that is not an unreasonable length of time on balance, but the fact of the matter is that many of the buses have a longer life span.

It is not illegal for a bus five years old to service a route, nor need it be in many cases. However, unless the school boards realize the differences and recognize the significance of these differences, school transportation in Ontario will remain a backward operation. For example, in the north, if one uses a bus for more than four or five years, metal fatigue, rough roads and bad weather increase the chance of breakdown almost 50 per cent though the vehicle might easily pass the safety requirements. This means that children might have to spend an hour or more in below-zero weather waiting for a replacement bus, simply because their school board chose a cheap operation that runs old buses.

There is also the fact that a larger company, especially one with as great an amount of assets as Charterways, can afford to underbid the local operator simply to secure the contract. If a small operator loses too many runs in this fashion, then he will be forced to discontinue his business. From then on the new company may increase its rates with no fear of local competition.

In Sault Ste. Marie last year the local operators were informed that there would be a re-tendering of all their runs at Christmas. These operators were then advised by Charterways that it would be bidding on their runs at Christmas. Charterways then made offers to them. The exact circumstances attached to the decision of the school board to open up the transportation contracts in mid-year to re-tendering are not known. It is a fact that a number of good operations have been sold, and the Charterways Company could soon be the sole bus company in that area. As a matter of interest, they have 30 per cent of the \$1 million expended in the county of Lambton for school buses, plus the total municipal franchise on a 10-year private bill.

Although it may be agreed that this is simply a free enterprise at work, we are dealing with school children, not the commercial product.

**Hon. Mr. MacNaughton:** For your information, as you go along, how much time is left in that private bill arrangement?

**Mr. Bullbrook:** I believe it is eight years, sir.

**Hon. Mr. MacNaughton:** Eight years. I see.



**Mr. Bullbrook:** I could be wrong. I neglected to bring that down. Legislative counsel made a copy available to me; I think it was 16. I might be wrong in that respect; that is just to the best of my recollection. I recognize the significance of the question because as far as government total transportation policy is concerned, this is going to be a bit of a sticky wicket, this question of private enfranchisement and what we are going to do with our new transportation policies and where the public funds are going to go in connection with total public transportation.

Although it may be agreed—

**Hon. Mr. MacNaughton:** One more question, if I may—and I hesitate to intrude.

**Mr. Bullbrook:** No, no. I want you to. I want this to be a dialogue. I am sorry; I normally do not use prepared text, you know, but I felt that we must get a position on the record.

**Hon. Mr. MacNaughton:** About the Davies situation again, is it the school bus operation in Sarnia or is it the public transportation system?

**Mr. Bullbrook:** It is both.

**Hon. Mr. MacNaughton:** It is both.

**Mr. Bullbrook:** No, I am sorry. I am confused there. Sarnia Transit Company was acquired by Davies, to the best of my knowledge. Davies then sold his whole operation to Skinner. I think Sarnia Transit was originally a Hamilton outfit that came in.

**Hon. Mr. MacNaughton:** Could be.

**Mr. Bullbrook:** The emphasis must be on the type of service provided more than on economic considerations. A large company, run well, can provide a good service for an area. However, before a school board decides on a new company, negotiations should result in order to determine which business will provide the school with the best service and the best value over the long term. In general, bus operators who are from the immediate area know better the needs of the community and tend to take a more personal and responsible interest in the children. This is not always the case, but it certainly should be considered by the school board involved.

I want to interject here, if I might, and I mean no disrespect at all to the chairman of the Highway Transport Board, nor do I mean in anyway to embarrass him. However, during

the course of a recent meeting one of my colleagues did bring this matter up, and the chairman at that time expressed his personal opinion only—not the board chairman's opinion, as I was informed, but his personal opinion only—that he was inclined to agree as a man, not as the chairman of the board, that he might agree with what I had just said. On balance, he felt that the small operators might have performed a better service than a large conglomerate. I think that was his feeling.

**Mr. Shoniker:** That is right. I think that is fair. I made that statement.

**Mr. Bullbrook:** I have tried to shorten this.

**Mr. Shoniker:** I made it.

**Mr. Bullbrook:** Pardon?

**Mr. Shoniker:** I made it.

**Mr. Bullbrook:** I realize that, sir.

**Mr. Shoniker:** I do not back out one inch.

**Mr. Bullbrook:** I did not expect that you would, knowing you to be a man of integrity. I felt that I would want to record that to substantiate the position that I take in this connection. One of the problems in this connection is the problem of licensing. At present, whoever succeeds in winning the tender automatically acquires the licence for that route. Under this system, there is no security in the school transportation business, except on a year-to-year basis.

In the trucking business, a firm is licensed for a particular route and maintains that licence until someone can prove that the present firm is incompetent or inadequate. That same sort of security is required in the business of school transportation. The point we make here is that a lack of security invites the larger business because they are able, in effect therefore, to write off losses here against stability over here.

The same sort of security is required in the business of school transportation. If an operator were to be licensed for a route, he would maintain that licence until his service is proved inadequate or faulty. Somewhat, for example, it does dovetail with what Mr. Smith was saying. There should never be any security of tenure in the public transportation field, but, of course, there is not.

The operator who wishes to take over another operator's run must then either negotiate with present operator, approve him



incompetent. Secondly, a school bus licence should be a licence for pickup route, not route travelled. At the moment, there are certain routes where the operator's licences coincide, when both have the same access route. We have again prepared a map in this connection and which we can file.

Another problem of licensing in Ontario at the moment is that the cost of licence far exceeds its value. A school board must only pay two dollars for a licence to operate a school bus, but a private operator, providing the same service with similar restrictions, must pay anywhere from \$100 to \$180.

The licence has, at present, no value. The price is comparable to licence fees paid by Gray Coach, Greyhound, etcetera, who can operate their buses 24 hours a day, 365 days a year, instead of a few hours in each of 200 school days.

Again, the concept of five-year contracts—and this, of course, has been adopted in some situations, Mr. Chairman—the concept of five-year contracts is one solution to the lack of security. However, it too has its drawbacks. First of all, there is the problem of fluctuating costs—for example, gas, maintenance, etcetera. These can be taken into consideration in negotiating a five-year contract between school boards and bus operators.

I think that is the present situation in Sarnia. I think they operate on a five-year basis in Lambton county, subject to annual review. However, there are other boards and other operators who express concern about signing such a long-term contract.

I am not sure, frankly, that what I am saying is that we are not getting into the need for establishing a transportation posture that would analogize between the school transportation industry and the public utility. I am not sure we are not getting into that field where government says, in effect, you are entitled to a fixed return on your capital and, of course, fluctuating current costs.

I think perhaps we are getting there, because if Skinner is able to acquire these assets it seems to me—and I do reiterate—he must be developing significant equity position somewhere. Having regard to what I am told by people whom I know in the municipal field—they have seen the financial statement of these companies, and they do require subsidy. And it seems to me that there must be a significant profit picture in connection with school bus transportation. I am told they attempt to operate on a 15 per cent basis.

I have financial statements in this file available to me. They are like many other financial statements that are available to both the minister, the chairman of the Highway Transport Board and myself and that is, hidden within are great benefits as to depreciation and otherwise, that sometimes make the return on capital seem most insignificant. I would be pleased to make these available to the minister, or his department, some time.

**Hon. Mr. MacNaughton:** Very well.

**Mr. Bullbrook:** It is for these reasons that negotiating a contract instead of tendering it is of value. Now that really is a strange statement for me to make, but I wanted to try in this opening remark to give both sides to the coin.

**Hon. Mr. MacNaughton:** You agree, of course, that one of the prime and immediate purposes for depreciation is the taxation.

**Mr. Bullbrook:** Oh yes, surely, I realize that. I realize the need for it. I am just wondering, though, frankly—and I do digress—but really we recognize that Union Gas operates from a truly monopolistic point of view and that it serves what, in effect, is a total public good. I am not sure whether we are not, in framing our new transportation policy in Ontario, especially in the education field, if we are not right in taking that position also, because really the transportation of school children is a need with which we cannot serve them, the school children, but it really is not, to my way of thinking, in the mode and manner of commercial enterprise. It really is not. I think it has gone beyond that.

As I say, we have certain material available that I would like to—and we cannot really having regard to the strictures and restrictions of this type of debate—put into the record, sir, statistical data in connection with costs per pupil, and so on. I want, then, just to spend a closing few minutes in somewhat of a reiteration. I will be back at 8 o'clock hoping that then we could perhaps get into a dialogue.

What I am interested in basically, then, from the chairman of the Highway Transport Board, is some evaluation specifically of the holdings of Mr. Skinner. How has this come about? Has the transport board taken any attitude as it has seen this come about? Has it looked into the financing behind it? I am very much interested in that. Does it concern itself with perhaps a beginning of a monopolistic tendency in this respect? What is the

function of the Highway Transport Board in establishing policy? I am sorry that is poorly phrased—not in establishing policy—but does it feel a responsibility to convey to the minister and, therefore, to his cabinet colleagues the recommendations in connection with the establishment of policy, and how content is the board—

**Hon. Mr. MacNaughton:** That is inappropriate. The policy does stem from another source.

**Mr. Bullbrook:** The policy stems from the minister and his colleagues.

**Hon. Mr. MacNaughton:** I am interested in what you are saying.

**Mr. Bullbrook:** I know you are. But I had said it poorly to begin with. I was talking about the establishment of policy within the board. It does not establish policy. The other day we had a wonderful exercise here—and again I digress with your permission—in connection with the Workmen's Compensation

Board exactly along this line. It had taken the position so many times that, "I am sorry; that is the law." The exercise was very fruitful last week. We finally got the board members to agree to make recommendations to their minister to change the law where they felt the law was inequitable. So again, we feel this in connection with the transport board.

**Hon. Mr. MacNaughton:** Right.

**Mr. Bullbrook:** So I close at the 6 o'clock hour, if that is what it is, in saying that our basic concern in this connection—and we will not be deflected by anyone to feel that we carry a vendetta against any individual, or any group of individuals in the Province of Ontario—is that we do concern ourselves with those general, philosophical questions in the field of transportation, especially in the field of school transportation.

I being 6 o'clock, p.m., the committee took recess.

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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

**Estimates, Department of Transportation  
and Communications**

**Chairman: Mr. M. Hamilton**

**OFFICIAL REPORT — DAILY EDITION**

**Fourth Session of the Twenty-Eighth Legislature**

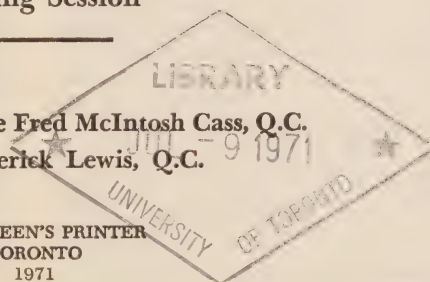
**Tuesday, June 22, 1971**

**Evening Session**

**Speaker: Honourable Fred McIntosh Cass, Q.C.**

**Clerk: Roderick Lewis, Q.C.**

**THE QUEEN'S PRINTER  
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# LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JUNE 22, 1971

The committee resumed at 8:12 o'clock, p.m.

## ESTIMATES, DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

*(continued)*

**Mr. Chairman:** Vote 2303, Mr. Bullbrook.

**Mr. J. E. Bullbrook** (Sarnia): Thank you, Mr. Chairman. When we retired at 6 o'clock I had been given the opportunity of speaking for about 30 minutes in connection with general policy matters, and without attempting in any way to conduct an examination-in-chief or a cross-examination, but I think—

**Hon. C. S. MacNaughton** (Minister of Transportation and Communications): This is not an examination for discovery.

**Mr. Bullbrook:** No, no. That is pre-trial. We are right in the trial now, Mr. Minister.

**Hon. Mr. MacNaughton:** Oh, I see.

**Mr. Bullbrook:** We are right in the trial of matters now. I had put forward certain basic propositions, some of which the minister nodded to, most of which he looked quizzically at.

May I interject the fact that during four years here, this particular minister and I have battled vigorously and directly—I think he will agree with that, without reserve. His great charm lies in the fact that when the battle is over, he recognizes that it is a partisan responsibility, as part of the loyal opposition—

**Hon. Mr. MacNaughton:** You are getting closer to that 402 all the time.

**Mr. Bullbrook:** I know. Do not think there is no significant motivation in this. But I want to say that, and I mean it sincerely—and I have said this to him personally—we at times have had vigorous battles and this is worthy of the parliamentary system, I would think.

In any event, several significant features: the basic one that we tried to convey before the dinner hour was that if Skinner is

exemplary—and we do not know—but if he is exemplary, if we can regard the amalgamation of companies, the acquisition of companies, as concurrent with a fairly significant elevation in his equity of life, and I think we can really—on the one hand, if we can, then we must recognize that by and large that elevation of equity in life is out of public funds. It either comes from school transportation or municipal franchising in the public transportation field. And that invites of itself the question: Are we directing our policies in the right area?

We believe essentially—two of the parties—in the private enterprise system. But we recognize that notwithstanding our belief in the private enterprise system, there are certain domains that lend themselves not to private enterprise, but government enterprise, because they are expenditures directly and indirectly of public funds.

So that is the first question to be asked from the point of view of policy, if we might. Now we have to temper this thought from this aspect, that primarily my concern is in the school transportation field, and as I understand it we are talking significantly about the expenditures of The Department of Education, not of The Department of Transportation and Communications.

On the face of it one might think this is somewhat out of order, but I think the minister would agree that it is not, because what we are talking about is essential transportation policy, and if we believe basically that The Department of Transportation and Communications is vested with the responsibility in connection with transportation, then we do not care whether the estimates fall within this particular vote or not, because we say to ourselves that we are talking about the Highway Transport Board, which we hope is a vehicle for government and for legislators to adopt; and adapt themselves to contemporaneous necessities in the transportation field.

I say in that respect that I would very much like some kind of an answer from the minister and the chairman of the board if possible—I am recognizing that the chairman

of the board is fettered in this respect as far as policy is concerned. Perhaps he can help us, because we do have a responsibility. I do not mean to reiterate this unduly, but as opposition members we have a responsibility—and government recognizes this—in adopting policy.

Government adopts policies, but on many occasions it sees the need for changing its policy to some extent, having regard to the representations of opposition. So, the first point—

**Hon. Mr. MacNaughton:** I would interject by saying that all you can hopefully expect from the chairman are the facts as he has them and as he can present them.

**Mr. Bullbrook:** Yes. Surely. May I ask you then—this is a worthy dialogue between the minister and myself, Mr. Chairman—could we not expect comments from the chairman in connection with the legislative abilities of the board relative to the policy as it presently exists? We felt that we could the other night with the Workmen's Compensation Board; the Minister of Labour (Mr. Carton) at that time felt that, and the chairman felt that we were entitled to that—I should not use the word "entitled." He felt that he would give sufficient latitude to the board to say what they wished. I recognize this is difficult to ask of public servants, but on the other hand I would like to take that particular tack also if the chairman of the Highway Transport wishes to do so.

**Hon. Mr. MacNaughton:** I will take it now, if I may.

**Mr. Bullbrook:** Right. Surely.

**Hon. Mr. MacNaughton:** I will take it to this point—you are saying quite a bit, I may not remember it all—but I will take it to this point: I think I can safely say in this area, as in all other areas, the advice of those who advise the ministers is policy and it becomes policy inputs. There is no question about that.

**Mr. Bullbrook:** Right. Fine. And without digressing unduly, this gets down to the total process that we are involved with. Frankly, since I went on to public accounts—and I recognize this is somewhat of a digression—I have found that basically one of the bad features of the parliamentary process was the lack of knowledge on the part of opposition.

And I think you, as the former Treasurer, more than in your present capacity, probably

recognize the premise that opposition has a traditional function to perform and that it must have knowledge. On many occasions, because of the sanctity and secrecy of the policy position, we are not able to get effectual knowledge upon which to base constructive criticism which is beneficial to the public in the long run—I realize this is somewhat of a digression.

The first point then, succinctly, is a comment perhaps from the minister and if he wishes, from the chairman of the board in connection with the acquisition of significant equity positions by people in Ontario out of public funds—by no other way but out of public funds. Are we not directing ourselves improperly in this respect? Should we not be perhaps considering public transportation, especially in the educational field, as analogous to a public utility situation?

The second thing basically is what I regard as a beginning of a creeping type of monopolistic tendency, and I want to put it perhaps more directly, and I hope not offensively, to the board. Have they been asleep? I want to ask them to record to me tonight the number of licences that have been issued to the Skinner enterprises. Surely I would think we are entitled to say to the chairman of the board and his colleagues: You must have noticed that Skinner has acquired a significant portion of the public transportation field in the Province of Ontario. Did this cause you any concern? Have you made investigations? Did you feel it was in the public good? What are your attitudes in connection with monopoly? Are you inclined to agree with me that monopolies in the long run—and traditionally this is the attitude—do not perform to the public good—that they eventually lead to higher prices and less service? That is the last question.

Now another question that has reared its head over the last two years—and has certainly come to the fore as a result of government policy as expounded over the last week or 10 days—and that is, what about the financing? I think we are entitled to talk about the financing and I think we are entitled to use Mr. Skinner's enterprise as a vehicle to talking about financing.

If I am correct in my attitude, and I believe I am, that it is incumbent upon the board, in analysing the propriety of issuance of licences in the public commercial vehicle field, to look into the propriety of the financial stability involved, then I think they have an obligation also, notwithstanding the automatic aspects of licensing in the school field, to be looking into the financial background. I



would like to have some information on it because of two things.

The first one, and the most important one in my opinion—I am not a great economic nationalist, frankly, Mr. Chairman—the first one is we cannot afford the luxury, in my respectful opinion, of the building of an empire of straw, and it is so easy to do. It goes without saying that you recognize that in the financial field one can acquire a sufficient equity position in a going concern and manipulate that.

“Manipulate” is not a word I like to use because it has insidious connotations. I do not mean that; I mean manipulation in the literal sense of the word—sometimes good manipulation—but manipulation of that equity position in much lesser equity positions until you find that you have control of the significant conglomerate which in itself has significant control of basically a public enterprise. That is the first thing.

The second thing is, where is the money coming from? I said I am not an economic nationalist because I happen to come from a riding that I do not think would be tremendously served in retrospect by saying we will not involve ourselves with foreign capital. I must say that we are blessed in this nation and in this province with tremendous resources.

I again digress, if you will permit me, but the minister, the then Treasurer, and I became involved in this particular dialogue last year. I do not really feel that it is such a terrible thing to have individual or collective capital come from elsewhere to develop our tremendous God-given resources.

The thing that has always caused me extreme concern, Mr. Chairman, is when they transport the profits of that particular enterprise outside the taxing ability of this jurisdiction. That we must stop. I digress in saying to you that I am not a supreme economic nationalist. I am very concerned about dissipation of irreplaceable resources without the ability to eventually tax.

However, I am concerned that we in this field have an obligation, as we do in the book publishing field. I think the government really has established a posture here, and if they have established it there I think that we are entitled in the opposition to say that they must establish it here.

We want to know. It might well be that every bit of financing that Mr. Skinner has availed himself of over the years was Canadian financing. If it was, then it saves our

conscience and our worries, but if it does not then we want to know. Are there financial institutions outside this jurisdiction which are financing this type of enterprise in its great, successful conglomeration which might secure some degree of, if not control, certainly influence?

Those are basically the points and I appreciate you giving me another 10 or 15 minutes to encapsulate them again.

**Hon. Mr. MacNaughton:** Is that it, Mr. Bullbrook, now?

**Mr. Bullbrook:** Yes, that is it, subject to the fact, of course, that we will be involved in some dialogue if you do not mind.

**Hon. Mr. MacNaughton:** I dare say we will. First of all, this has been very interesting to me. Certain of the observations—indeed certain of the disclosures that you are seeking some support for here in this committee room—have been of interest to me and, I must say, are new to me.

It was new to me, incidentally, and it will come as somewhat of a surprise, that the person whom you are talking about controls an operation known as Exeter Bus Lines. I live in Exeter and I was not aware of it. It is very interesting; I did not know that. I thought that bus line was still under its original ownership which was a man named Genter, from Dashwood. It is interesting to me to learn that that particular operation has passed into other ownership.

**Mr. Bullbrook:** Well, two or three years ago apparently they—

**Hon. Mr. MacNaughton:** Yes, it is amazing to see how this has been done without any knowledge to me. I guess to some extent I was not interested, but it never came to my attention.

I do not know whether this in general terms will be a matter of some interest to you. We discussed this letter in committee yesterday. I think I disclosed certain aspects of what might be translated into legislation in terms of discussion with Mr. Young. It is proposed, of course, and it will be dealt with shortly in legislative terms, to have a form of assistance to public transit. Certainly, in the terms of your discussion here since this afternoon, you would be concerned that any of the funds that might go to help these urban transportation situations, these public funds, would find their way into, shall we say, other than normal hands. If I am correct, I—

**Mr. Bullbrook:** To aggrandize private enterprise.

**Hon. Mr. MacNaughton:** Exactly. I should say that upon examination of the situation we find there are several municipalities which operate their urban transportation systems by agreement with private operators. We have become aware of that.

**Mr. Bullbrook:** May I interject, "or by legislation?"

**Hon. Mr. MacNaughton:** As you say, by private bill, but in one form or another we are aware of this.

Let me speak first, if you will, about the form of assistance that may be provided to those which are owned either by the municipality or public utilities commission or something of that character. We know that they are having difficulties in terms of revenues plus whatever assistance is provided for by the PUC, if you wish, as an example, or the municipality itself. It is difficult at this point in time to get a handle on it.

We rather feel, as I explained yesterday, that our first determination is to find out what a desirable level of service is in each of these communities, and that varies from community to community very much. In some communities the service level is fairly good, it may well be in your community of Sarnia.

**Mr. Bullbrook:** They are reorienting it now to a better service, but it is fairly good.

**Hon. Mr. MacNaughton:** It is. We go to some municipalities and the level of service is something less than desirable. So first and foremost we want to find out what that desirable level of service is and what the deficiencies are financially in terms of attaining that desirable level of service. I think that is paramount—the extent to which municipalities are heavily subsidized operations, be they public or private, and maybe not attaining the level of service that is desirable.

Hopefully we can find a formula once we have determined the desirable level of service and the extent to which it is being subsidized, so that we then can relieve the municipalities of that burden to a considerable extent. It is a burden that they have certainly been sharing, and a costly one in some circumstances.

I would have to suggest there, be it a public or a privately owned operation under contract in some form with the municipality, I think I am able to say it, it is not only our intention to subsidize those facilities that are having no serious financial problems.

In other words, they are not making too much of a demand on the municipal purse, if you wish, and the level of assistance, of course, will be less.

In some situations—let us deal with one that is operated by the municipality, and, of course, subsidized to an extent over and above the fare-box revenues. Where it imposes a burden on that municipality then, I think, they will have an entitlement to assistance above and beyond other situations. But at this point in time, prior to the introduction of the legislation when hopefully we can explain this in more detail, I think I can safely say it is not our intention to subsidize beyond what is necessary to attain the desirable level of service that is required by the respective communities.

**Mr. Bullbrook:** Does the minister mind—I am sorry.

**Hon. Mr. MacNaughton:** Let us say there is the publicly operated situation on the one hand where, if it is done, it is a transfer of public funds from one public level to another; I have no particular concern about that. But where it is a private operation under contract performing the service for the municipality and to have that service subsidization at a level that is onerous and burdensome and imposes a financial burden on that municipality, then I think we will give consideration to some form of assistance to the municipality to relieve their burden of assisting the private carrier. You mentioned that as you went along, so I say that that is certainly presently the policy and philosophy that is under consideration.

**Mr. Bullbrook:** May I interject for a moment? I appreciate that and presumed that this would be government policy. The concern I have is this, an ethereal concern. I recognize this subject—if an entrepreneur can develop, such as Mr. Skinner has—

**Hon. Mr. MacNaughton:** You used a good word.

**Mr. Bullbrook:** Pardon?

**Hon. Mr. MacNaughton:** His entrepreneurship, from what you say, is—

**Mr. Bullbrook:** Well, I do not regard that as a mark of defamation in our free enterprise system.

**Hon. Mr. MacNaughton:** No, it is not a derogatory word at all.

**Mr. Bullbrook:** It is an accolade of highest esteem.



**Hon. Mr. MacNaughton:** Exactly.

**Mr. Bullbrook:** But it is a different thing when you are trading in goods and not trading in public funds. That is essentially what we were talking about.

The concern that I express and, recognizing that you cannot establish with us tonight total government policy, I would think we presume, sir, that you will attempt to relieve the municipal taxpayer of the burden that he presently has. I want to request of you to really regard the question of whether the relief to the municipal taxpayer in effect is not transferred to the equity benefit of individuals and corporations. I just do not think we can afford that particular attitude.

**Hon. Mr. MacNaughton:** No. We are on the same wavelength there except in those circumstances when you can see a satisfactory operation being carried on by a private carrier subsidized albeit by the municipality, then the municipality may need some help to relieve itself of the burden of that type of subsidization. I think that is a fair premise.

**Mr. Bullbrook:** We will have an opportunity anyway when the legislation comes in, of discussing this in greater detail.

**Hon. Mr. MacNaughton:** Correct.

**Mr. Bullbrook:** Thank you, that is an answer to the first general question.

**Hon. Mr. MacNaughton:** Right. I hardly know where to head in, you pointed out yourself that there is a level of discretionary authority here in terms of the autonomy of a local school board in these determinations.

**Mr. Bullbrook:** What about, then, Mr. Minister, if I might help you in directing—do you mind this?

**Hon. Mr. MacNaughton:** No.

**Mr. Bullbrook:** What about the question, the philosophical question of the need for autonomy then? What about that? What about the question of local school boards being autonomous in this respect? What about us not regarding secondary school transportation as a public utility or analogous to a public utility? What about the whole question of the negotiation or tender system? What about us not as a province or in the total involvement of education saying that we do have the significant total responsibility in the field of school children transportation? What

about us saying we are not prepared to permit private entrepreneurs to aggrandize themselves financially in connection with this public enterprise?

**Hon. Mr. MacNaughton:** I can see that point with respect to what you are searching for here frankly, but I would have to suggest to you that there are many other school bus operators who perform their duties in a responsible fashion, there are enough of them in certain communities to go through the proper bidding procedure and I do not know that we are enriching a situation that concerns you in a whole broad area.

**Mr. Bullbrook:** Well, I have to interject when you use the word "responsible." Nowhere in my comments have I talked about irresponsibility as far as service is concerned. Right?

**Hon. Mr. MacNaughton:** I did not mean it in that context.

**Mr. Bullbrook:** No, I know you did not but those are pretty cold words when one reads them.

**Hon. Mr. MacNaughton:** I would like to go on and suggest that you were concerned about one situation. I do not know that that is replicated too many times across the province, I do not know that. I know from some former experience on a school board—and it happens to be in the area where you say this fellow is now the owner of the transportation facility and in those days there were enough competitive bidders to ensure that the board was getting the best service at the best price through the bidding system. I would think that that characterizes many other school board areas. So I would have to give some thought to the punitive effects on the operators who perform in that manner—

**Mr. Bullbrook:** That is a most worthwhile conclusion but we are not talking about one school board, really. What I am attempting to get at is the impact on total transportation policy. Right? And I am not asking for policy, I am asking for your reciprocal thoughts in connection with mine and I think it is not—I do not want to use "unfair" but I am not talking about one board, I am talking about the total aspects of public transportation in this province as far as education is concerned, then as far as municipal transportation is concerned.

**Hon. Mr. MacNaughton:** Yes, let us deal with one of the main features of your earlier



observations; they seemed to associate themselves with bus systems for school board purposes.

**Mr. Bullbrook:** Right.

**Hon. Mr. MacNaughton:** Let us associate ourselves with that. Now, in the example that you have recited to us this afternoon and again this evening, an extension of that, a large extension of that I think—maybe it is large enough to concern us; it may well be, but if that was to aggravate it further, then fine, I do not know how far this extension is going to take place. But as I point out there are county boards across this province which are not captivated by that situation and I think we would have to weigh the consequences both ways. Now, whether it is appropriate at this point in time to depart from a system that in a wide variety of circumstances has worked reasonably well in terms of the free enterprise system that you and I admire—

**Mr. Bullbrook:** Invariably, I think “reasonable” is a very temperate adjective. It has worked very well with Mr. Skinner.

**Hon. Mr. MacNaughton:** Very well.

**Mr. Bullbrook:** Very well, right.

**Hon. Mr. MacNaughton:** I would not want, shall I say, to move into the situation that you described to the prejudice of those other ones without a little more research. I think that is quite fair.

**Mr. Bullbrook:** That is reasonable. Nobody expected tonight a polarized position on your part. No, not at all. Dialogue is all we can hope for.

**Hon. Mr. MacNaughton:** That is true. All right then, and this is not to be critical, it is just expressing another view if you wish. To come back to that situation that you have described very well again, if that were to lead us into a total public transportation system in this field, it could, as I see it at this point in time, subject to further examination, lead us to certain punitive effects on others who were performing quite satisfactorily.

**Mr. Bullbrook:** Yes, right.

**Hon. Mr. MacNaughton:** That is my point.

**Mr. Bullbrook:** And a meritorious point. It is a question of balance that you must evaluate.

**Hon. Mr. MacNaughton:** Right. Now, with

those few words—you asked me something about consideration of a new transportation policy in this field, so I think I have answered that as well as I can at this point in time.

**Mr. Bullbrook:** Would it be unfair of me to ask you at this time whether you see any merit in the concern expressed by us in the opposition?

**Hon. Mr. MacNaughton:** Yes, I see some merit in it; if this is going to be extended beyond all reasonable bounds, then other measures may well have to be taken.

**Mr. Bullbrook:** That in itself is a quantitative analysis too, what one considers beyond all reasonable balance. As I read the litany of these companies, one might say to himself all reasonable bounds have been surpassed a long time ago. But again that is an analysis that you must make and confront us with in the Legislature.

**Hon. Mr. MacNaughton:** I am in no position to make that analysis.

**Mr. Bullbrook:** No, not tonight, I do not expect it.

**Hon. Mr. MacNaughton:** No way.

**Mr. Bullbrook:** Could we talk then about the—

**Mr. F. Young (Yorkview):** Could I just—

**Mr. Bullbrook:** Oh, yes, surely, go ahead.

**Mr. Young:** There comes a place in this process where a company such as Skinner's, who is a big operator in the county and in the municipalities, actually is in a position where it can outbid anyone else. Nobody else has the equipment—

**Mr. Bullbrook:** One of the points I made. I really did not get into the facts too much.

**Mr. Young:** He is so completely dominant in the field that he can almost name his price within reason and therefore dip into the public treasury in a way that might be unconscionable.

**Mr. Bullbrook:** That is the inherent wrong—if I might add with the member for Yorkview—that is the inherent wrong in the tendency toward monopolies because if you do get a person who is too large—of course, this is the very foundation of The Sherman Act in the United States, right?—you do not get true competition in the field itself. You get somebody so large that he is prepared to lose

in some spheres, recognizing that he might win again in other spheres. And I do not attribute this to Mr. Skinner because I do not have the evidence to prove that. I am just suggesting that this might happen—

**Mr. Young:** And with the school boards, more and more this could emerge as the real problem because—

**Mr. Bullbrook:** —recognizing that in the context of the one-year contract, you see, it puts him in a position of negotiations each year in connection with the matter. And when you recognize that, if you have a significant corporate conglomerate, you can present to a school board a deficit position, frankly, where you are operating some situation on a profit basis, where you get into associated companies and things of that nature.

However, that is more esoteric than I really wanted to get into. But I am pleased the member for Yorkview not only grasps, I know he grasps, but subscribes to the problem that I see in this connection.

**Hon. Mr. MacNaughton:** Yes, but at the same time there is some element of hypothesis here that prompts me not to make a hypothetical answer to a hypothetical question.

**Mr. Bullbrook:** Fine.

**Hon. Mr. MacNaughton:** I think I would be imprudent if I did.

**Mr. Bullbrook:** Fine.

**Hon. Mr. MacNaughton:** I have been given some interesting information that supports the general observation I made a moment ago, and I find that in addition to what Skinner has apparently accomplished—apparently, I will say, and I say that advisably—

**Mr. Bullbrook:** And I said that also.

**Hon. Mr. MacNaughton:** Yes, exactly. There are 1,721 licensed school-bus operators who operate some 5,000 school buses in this province. That will lend some emphasis to what I said a moment ago—I think it does.

**Mr. Bullbrook:** Surely—

**Hon. Mr. MacNaughton:** Again, I repeat, with some emphasis, I would be reluctant to make a move on the face of what is apparent here today. It would have punitive effects on these people who are obviously doing a good job.

**Mr. Bullbrook:** Mr. Minister, if the night follows the day, as far as logic is concerned, I can say to you if there are 1,721 operators in Ontario today, there were 1,722 people last year because he has acquired one.

**Hon. Mr. MacNaughton:** I understand.

**Mr. Bullbrook:** This is the whole exercise.

**Hon. Mr. MacNaughton:** I understand.

**Mr. Bullbrook:** The exercise really is not in numbers. The exercise is in principle, really, and if, as I say, there is any logic in this matter, eventually we must as a policy-making body make a decision as to when this does stop. And it might be that it is premature to stop it now. I do not know.

**Hon. Mr. MacNaughton:** It might be.

**Mr. Young:** When he bids against himself.

**Mr. Bullbrook:** Well, I suppose when he bids against himself, that is true. I doubt very much if that situation would ever obtain, frankly, with 1,721 but you know from the point of view of logic, the member for Yorkview is quite right. If it continues—and I think the chairman of the transport board would agree—if it continues, as a matter of logic, he eventually would bid against himself. But I think that does digress because certainly the minister does Mr. Chairman, recognize the import of the abstract and he uses the word “hypothesis.” Fine. It is a hypothesis based on some factual assertions.

**Hon. Mr. MacNaughton:** Yes, I recognize that.

**Mr. Bullbrook:** May we then talk about, if we could, and—Do you mind this type of thing?

**Hon. Mr. MacNaughton:** No.

**Mr. Bullbrook:** May we talk about the concern of the department—more directly, the concern of the board itself in connection—with the monopolistic position of Mr. Skinner and perhaps eventually others? I think we had better record again for what it is worth, at a quarter to 9, that we are not on a particular vendetta against Mr. Skinner. Mr. Skinner is purely exemplary—

**Hon. Mr. MacNaughton:** Well, let us use it for an exemplary purpose.



**Mr. Bullbrook:** That is all we are attempting to do in effect. I am not certain that I am entirely enamoured, having regard to some circumstances that I want to record here in general and I will not specify because of my legal training, because of the fact that I do not have total, other than hearsay, evidence in connection with some of his modus operandi in this field.

**Hon. Mr. MacNaughton:** Right.

**Mr. Bullbrook:** MO in this field. And so I have not recorded it into the record. But I want to say that I am not entirely content that some of his methods of operation have been less than propitious.

But I would ask you to consider now if the transport board have concerned themselves as they see these things—and I would trust they do. Can we get some factual detail? Can we say how many PCV licences for school buses and municipal buses Mr. Skinner has in the Province of Ontario, directly or indirectly? What about the question of financing? We are getting into what we could say are fairly significant gut issues, from the point of view of what the transport board has been doing.

**Hon. Mr. MacNaughton:** Yes, well—just before we do that, we will call on the chairman to provide what factual information he might put on the table just in a moment. It has been pointed out to me and there may be some wisdom to it and I presume that is on a basis of tabulated information that the economics of scale in this industry are minimal. In other words, the case of entry is a sufficient control to monopoly.

Now, I think it is about time we allowed the chairman to inform you on the other matters in which—

**Mr. Bullbrook:** Would you mind expounding on what you just said? Perhaps the deputy minister might—

**Hon. Mr. MacNaughton:** I would be glad to expound on it. It came from Mr. Foley. Mr. Foley, would you like to enlarge on that comment?

**Mr. Bullbrook:** Would you tell us who Mr. Foley is? I am sorry.

**Hon. Mr. MacNaughton:** Mr. Foley is director of economics for our new department.

**Mr. Bullbrook:** All right. Sorry, Mr. Foley.

**Hon. Mr. MacNaughton:** Put on the microphone.

**Mr. Bullbrook:** Join the opposition, Mr. Foley.

**Hon. Mr. MacNaughton:** Pro tem only, Mr. Foley.

**Mr. K. W. Foley** (Economic Analysis Branch): Yes, sir.

**Mr. Bullbrook:** October, would you say?

**Mr. Foley:** The situation it presents is one where the industry here has a very low unit of cost of getting into business. It really requires a few vehicles, a small overhead, and the general level of capital required to get into business is relatively small as opposed to other industries that generally characterize the public utility which have large capital costs and are pretty tough to get in and very easy to get out of.

The situation here would be that even if you had a case where an operator was fairly large and he had a great deal of geographic territory, the characteristics of the industry are such that there is always a threat of another competitor coming in to meet his prices and the costs for a competitor to arrive on the scene are pretty marginal. So therefore the threat of existing or potential competitors tends to keep his price limit at a level which would eliminate competitors from attracting that business and therefore the ease of entry is a sufficient threat in most cases.

Now, it may be that there are particular characteristics of one geographic area which is immensely difficult to serve, or something like this, that would allow monopoly profits to be taken. But in general, ease of entry into this business is such that it does tend to control the monopoly position and therefore regardless of how big an operator gets and regardless of what kind of geographic space he will cover, he will have to be priced competitively if he intends to prevent competition from eroding away his markets. And there is a case in many public utilities, such as the telephones, and the railroads and others where capital entry is extremely prohibitive because of the cost of capital and accumulating that capital, where rate control and other monopolistic practices can be exercised. This industry does not have those characteristics as yet.

**Mr. Bullbrook:** Well, that is very interesting in the abstract and it would be highly unfair for me to get into a direct dialogue, but if the minister will permit, since he has permitted his economic adviser to discuss



this—Do you not think that the fact that Skinner has expanded in various geographical areas puts the very lie to the proposition that you put, that some geographical areas lend themselves more to monopolistic adventure than others, since he is in, for example, western Ontario significantly, northern Ontario significantly, the Niagara Peninsula significantly? He is in Mississauga too; I believe I neglected to mention Mississauga. I do not know about his ventures in eastern Ontario but I put that to you first.

Secondly, aside from the aspect that it is not a difficult thing to get into the field, because the reason it is not—and I think Mr. Foley will agree—is that it is very easy to finance capital equipment where you have a contract with a public body—do you follow me?—over a significant length of time.

**Hon. Mr. MacNaughton:** Well, it helps.

**Mr. Bullbrook:** I am sure that I could build a wonderful building today if OISE would grant me a 30-year lease. Most investors would like to invest in that. So I say to you, not offensively, sir, that it has been obvious to many of us that to get into the field, the capital aspect is an easy one.

I suggest that that begs the question, because the question is not, whether it is easy to get into the field; it is how easy it is to get out of the field. Right?

You have the example of the fact that this man, who began with one charter in the London area, now controls significant segments of the Province of Ontario. From a logical point of view, not just an economic point of view, recognizing there still are 1,721 if that is the number that you quoted—

**Hon. Mr. MacNaughton:** That is the figure.

**Mr. Bullbrook:** From a logical point of view, if Mr. Skinner or anybody else is prepared to undertake this type of a venture, surely you would agree as a matter of logic he could eventually acquire significant control of the industry.

**Hon. Mr. MacNaughton:** I would make the observation, for what it is worth, that the more he expands the more vulnerable he gets.

**Mr. Bullbrook:** That might be. Right.

**Hon. Mr. MacNaughton:** As the hon. member mentioned earlier, the apparent use of depreciation can be employed up to a point only. It can be employed so far. You can call

it, if you wish, and it may well transpire that the observations have an element of substance to them, I am not prepared to dispute that but at the same time depreciation is an expensive operation. It is an expense on the balance sheet.

**Mr. Bullbrook:** Right.

**Hon. Mr. MacNaughton:** It does, I suppose, help to improve the equity picture over a period of time, but nevertheless not in normal circumstances. Its basic impact, as I mentioned earlier, is in taxation.

**Mr. Bullbrook:** Let me say this, Mr. Chairman, I must, and I do, appreciate the comments of Mr. Foley in this connection. I think we could really, if we wanted to, get into estimated provincial annual average operating costs of school vehicles, the figures of which I have here. We could get into an interesting discussion. This is not the point. The point is—and I do not want to be deflected and you do not attempt to deflect me—

**Hon. Mr. MacNaughton:** No, I do not try to deflect you.

**Mr. Bullbrook:** No, I know, I say that, I have always been fair to you, always and you to me.

The point is that we are building up equity positions out of public funds and let us not for one moment digress from that essential proposition. It is not a question any more of someone starting a lumber yard and building up a significant equity in life under the free enterprise system because of his own initiative and economic climbing. We are building up significant equity positions out of public funds, and we, as legislators, have an obligation there, notwithstanding the diffusion of public involvement by private entrepreneurs or operators, to concern ourselves with the building of significant conglomerates out of public funds.

**Hon. Mr. MacNaughton:** Right.

**Mr. Bullbrook:** There is nothing that I can see in Mr. Skinner's operation, other than a sports shop in St. Thomas, that does not align itself with public funds. The concern I express is, if there is this equity, you see, community colleges—and let me digress for a moment—I take issue with them night and day; I take issue with the autonomy of universities. But the fact of the matter is we do not have General Motors running Laurentian University to the benefit of a significant group of shareholders. This is the essential equation that I

try to make here. This is what you said before, so I think really—

**Hon. Mr. MacNaughton:** That is not the equation.

**Mr. Bullbrook:** I am content with the answer. I do not think we need to get into the economics and I do not mean that offensively. The point is that you have said that you are concerned with the propriety of what I have said, with—

**Hon. Mr. MacNaughton:** That is right.

**Mr. Bullbrook:** —the building of empires out of public funds. This is really the concern of this.

**Hon. Mr. MacNaughton:** Not only that, I will also tell you what we are thinking in terms of dealing with it.

**Mr. Bullbrook:** Exactly. So I do not mean in any way to deter Mr. Foley at all. I appreciate obviously he is a very knowledgeable young man in connection with economics and I could not joust with him, even if I attempted to.

I think that the point was not so much the fact that we have internal safeguards because of the ease of entry into the enterprise, but more the fact the enterprise subsists on the taxpayers' dollars.

**Mr. Young:** I wonder if that ease of entry is tempered by the size eventually, of the fleet of buses commanded and by the local people and by the shortness of contracts? Any new group wanting into the business would find it very difficult to raise capital in order to compete against a person like Skinner.

**Mr. Bullbrook:** Very factual.

**Mr. Young:** And therefore he holds, in effect a monopoly position, even though the economic theory may be more or less accurate. The theory just does not work out in this kind of a circumstance.

**Mr. Bullbrook:** The factual situation—I enter again to support my colleague from Yorkview—the fact of the matter is this and this is what obtained at Sault Ste. Marie. According to my information, the fact of the matter is that the person who had the franchise is out of business. Because he is a small operator he cannot afford the luxury of keeping his equipment, this is the thing.

**Hon. Mr. MacNaughton:** I got that message.

**Mr. Bullbrook:** But when you are a large operator you can afford that unbalance.

**Hon. Mr. MacNaughton:** I got that message.

**Mr. Bullbrook:** This is why the whole system, notwithstanding the ease of entry into the system, lends itself to a gobbling up, in the vernacular, of the small operator. But in any event, I think we have made our point here.

You were going to permit the chairman of the Highway Transport Board—

**Hon. Mr. MacNaughton:** Yes.

**Mr. Bullbrook:** —to talk about two things. The question of his concern in connection with what must have been obvious to him, I am sure, and whether he has any function—and this is why we are discussing this under this vote, whether he has any function. And secondly, what about finance? Has there been any investigation of the financing?

**Hon. Mr. MacNaughton:** Quite right, but I think one of the members—

**Mr. Bullbrook:** I am sorry, I apologize.

**Mr. Chairman:** A question from one of the members. Mr. Allan.

**Mr. J. N. Allan (Haldimand-Norfolk):** Mr. Chairman, I have been listening to this discussion and it is all very interesting, but I fail to see the great difference between this sort of operation and private enterprise generally. Surely, these are public funds but the school boards are autonomous organizations and—

**Mr. Bullbrook:** But no shareholders, Mr. Allan.

**Mr. Allan:** Perhaps I could finish—

**Mr. Bullbrook:** I am sorry.

**Mr. Allan:** One of the maxims that is very firm in my mind is that you cannot have the best of all worlds. If you are going to call for tenders then you must abide by the result that you get from having called for tenders. The fact that this man has expanded, in my mind, is because he has been able to outbid other bidders for these contracts.

Now if you do not want the man to expand and one person to get big, you say "We will not give you this tender; we will give it to one of our local people." As this progresses,



this is my point of view anyway, this man is in a much more favourable position to bid than is the individual operator.

I happen to be one of those persons who has suffered because of bigness, and I know how it feels and I know how helpless you are. I think this is just another case of bigness taking over. If you are going to bid, you are going to call for tenders, you are going to award the tenders to the lowest bidder; this is the result.

I think this is the reason that this man has been able to grow and expand. I do not know him, I do not know about him, but to me this is the explanation of the situation.

**Mr. Bullbrook:** May I make a comment on—

**Mr. Chairman:** Mr. Whitney has a question, too.

**Mr. Bullbrook:** May I make—would you permit me to, since I have been supportive of the initiative really in this connection; I am sure my colleague Mr. Whitney would permit. There are two things—and I say this most respectfully; I am not going to reiterate the respect I have for the member who last spoke. There are two essential distinctions that I try to draw. One is, enterprise out of public funds, that is the first thing. Perhaps I draw a terribly poor analogy when I say to you General Motors does not run Laurentian University and the public funds spent there do not eventually find themselves in the pocket of shareholders. This is what we are doing in the public transportation field. We have to concern ourselves with this and I really say, sir—and I say it most respectfully—that the general attitude you had was supportive of me but begged that question of public funds. I really think we have to concern ourselves as legislators as to where public funds are going.

**Hon. Mr. MacNaughton:** Well, may I ask you a question?

**Mr. Bullbrook:** I am sorry, may I say this to you? To rely upon the individual school board in itself begs the question, because an individual school board is only faced with the proposition of which is the lowest tender. They are not faced with the total conglomerate and monopolistic situation. This is the function of transportation policy in the province.

**Hon. Mr. MacNaughton:** They are concerned about levels of service.

**Mr. Bullbrook:** I am sure of that; it goes without saying that they are. The question is, of course, when you get to a total monopoly, then levels of service perhaps are not available, having regard to the amount of public funds spent. This is inherent in the tradition of monopolies. But I say to my colleague, Mr. Allan, in connection with the economy of local school boards, that I am really hesitant to take that away from them, but you have got to recognize the history and possible future of this matter. You just cannot rely on the system of the lowest tender, because under the system that is evolving, the lowest tenderer might be what is known traditionally in the merchandising field as a loss-leader, to acquire the facility to begin with. So we have a responsibility in connection with total transportation policy here.

**Mr. Allan:** Mr. Chairman, if I might just offer a further explanation. I respect a great deal of what the hon. member for Sarnia says, and having been on the other side of the table and bidding, I would appreciate special consideration very much because I was a local person.

I think you have to decide what you want. Do you want to open this to wide-open bidding and place the big bidder in the position of being able to use what would ordinarily be termed a loss-leader? Because the big person can freeze out the little person in one area. I am not saying that all these contracts should be let to the lowest tenderer, but I think you have to make a decision as to whether you are going to do that or not.

**Mr. Bullbrook:** I see the point my colleague is making.

**Mr. Chairman:** Mr. Whitney.

**Mr. N. Whitney (Prince Edward-Lennox):** Mr. Chairman, I wanted to make a point that an operator who has a group of buses, perhaps taking children to school by different routes, certainly is in the position that he can manage it much more economically. I know of one man—I do not know how many buses he has, but three or four at any rate—who operates a garage; he can service these buses himself and do the necessary repair work. Some of the employees in the garage take the buses, and he has other people who deliver the pupils. They park the buses, leave them there all day; then he comes along with a station wagon and picks them up. He does not have the cost of running those same buses back and forth a couple of times a



day. Certainly he does have that advantage, and there may be other ways in which a bigger operator can save money. School boards, if they get the quality of service, are naturally going to try to save whatever dollars they can in regard to the cost to the local ratepayers, and they would be severely criticized if they did not do so.

**Mr. Chairman:** Mr. Young, did you have anything further?

**Mr. Young:** No, I think Mr. Bullbrook—

**Hon. Mr. MacNaughton:** I wonder, Mr. Chairman, if we could ask the chairman to comment on some of the points raised by the hon. member for Sarnia?

**Mr. E. J. Shoniker** (Highway Transport Board): Mr. Chairman, hon. minister and hon. member for Sarnia, in endeavouring to answer the questions directed to me I would like, if I may, to prepare the final conclusion with a little background.

Firstly, the question of monopoly in the school bus field is one that I do not think we have to be too disturbed about for the simple reason that the power still lies within the hands of the Minister of Transportation and Communications to grant licenses on the recommendation of the board with a certificate of public necessity and convenience.

I agree the word "monopoly" is one that sometimes is of some concern to all of us but in this area, where the operation cannot succeed without authority from the minister, then I feel that the public generally is amply protected.

Secondly, I have always felt and been brought up on the general principle that this was a province of free enterprise. I like to believe it is, and as such it is pretty difficult when an applicant comes before you and all his documents are in proper order, such as his application; his statutory declaration as to liabilities; all his liabilities are paid, he has the permission from the school board for the transfer of the business and seeks approval for the application for the transfer of the licence. Then, all things being equal, it is pretty difficult to refuse someone some gain they may have obtained after many years of work.

Every transfer of a public vehicle school bus licence requires a public hearing, and I must say that I have not heard over the period of the last few years anyone ever coming in and saying that they were forced in any way, shape or form to leave the

business of their liking. As a matter of fact, I make it a point—and I believe the two vice-chairmen do—to always present a copy of a contract to the parties concerned and ask them if they are still agreeable to the terms contained therein.

The question of the granting of certificates for public vehicles-school bus operations is a difficult one because it is usually supported by the school board. The school board, of course, are direct representatives of the public. They come from a specific area. They can usually show us that there are considerable savings to be effected, and those savings naturally go back to the public. I have to agree at the outset; it is very difficult to refuse an application for a public vehicle school bus operator.

Now we have been concerned a little bit about Skinner in this particular matter. I certainly think that the hon. member for Sarnia has some concern, but he might have some concern with some other operators while he is at it.

I would like to give you the following figures if I may. First of all, there are presently 1,722 school bus operators in this province operating 6,066 pieces of equipment. There have been during the last year approximately 82 transfers of school bus licences.

Presently Charterways operates 522 public vehicles and 187 school bus vehicles. Now to be fair, many of the vehicles licensed under The Public Vehicles Act are also used for school purposes. We also have McLeod Motors, which operates 152 school buses in the area of, let us say, Stoney Creek. We also have a G. T. Murphy, from London, or the London area, which also operates 12 public vehicles and 73 school buses.

We have Langdon in the environs of Toronto here, in the King area, which operates approximately 132 vehicles and most of these are dedicated to school work.

I think that covers pretty well the position at the moment on the school bus industry. I am still of the same opinion as when I appeared before this committee to account for the stewardship of the Ontario Highway Transport Board some two weeks ago. I was asked a question and I answered it on the basis, not as chairman of the board, but as an individual.

The question directed to me by the hon. member was, did I think that an individual school bus operator could be more beneficial generally to the public and to the school-children. I answered yes, I think he can, but unfortunately he is finding it a little more

difficult to live nowadays. A school bus operator has problems.

He has a problem in endeavouring to finance his business and problems in trying to meet, I agree, the competition of some of the larger carriers at the time when bids are asked for. Of course he finds it very difficult to meet bids of the larger companies. This I have to agree with.

Leading up to the matter of Skinner, which has been of some concern—

**Mr. E. W. Sopha** (Sudbury): Who is Skinner?

**Mr. Shoniker**: I will tell you in a minute. If you will wait a minute, sir, I am getting to it.

**Mr. Sopha**: There was a young man named Skinner, who took his best girl out to dinner—

**Mr. Shoniker**: Are you going to complete the rest of it, sir?

**Mr. Sopha**: Oh, no!

**Hon. Mr. MacNaughton**: As a matter of fact, I have it written down here but I did not think it suitable to place it on the record.

**Mr. Shoniker**: One of the board's responsibilities—at least we feel it is one of our responsibilities to the public—is to try to make sure all holders of public commercial vehicle operating authorities, and authorities under The Public Vehicles Act, are financially sound. And, gentlemen, I present to you tonight the facts which, I think, speak for themselves, that since 1967 there have been a smaller number of bankruptcies in the Province of Ontario in this field than any other province in Canada or any state in the United States of America. If the hon. member or anyone else would like the figures, I would be glad to present them.

We keep a fairly accurate check on the finances of all the various companies that hold licences, whether they are large or small. I must admit from time to time we have a little trouble holding the odd head above water, but we usually try to keep their heads up if we possibly can, and the bankruptcy situation, fortunately in Ontario, has been a favourable one.

**Mr. Bullbrook**: I would think so.

**Mr. Shoniker**: Well, let us look at the situation better known as Skinner. Skinner is an individual; so we are going to deal with a

company known as Charterways Company Limited.

Over the period of the last two or three years, we have run a fairly accurate check on the business of this gentleman. We watched him closely, and the last report I have before me is as of June 1, 1971. I believe a complete revelation of the whole situation probably may help alleviate in the minds of some people the fact that some of the shares of Charterways are either controlled by members of Parliament—

**Mr. Bullbrook**: No, please, please. No, no. On a point of order—

**Mr. Chairman**: All right.

**Mr. Bullbrook**: There never was any intimation on my part or any other person in this committee of any insidious motivation in connection with this, in connection with members of Parliament, their families, directly or indirectly. Let us not begof the issue by that type of deflection.

I will not be a party to getting into scandalmongery. We are talking about the philosophy of transportation, and I do not want to be involved in any question. Now, if the chairman wants to tell us that there is a member of Parliament who has an interest in Mr. Skinner's operation, that is fine. Do not let him tell us that there is no member of Parliament who has an interest in Mr. Skinner's operation. There never was an intimation that there was.

**Mr. Shoniker**: If the hon. member would give me the opportunity to make an explanation, I did not infer for one moment that the hon. member for Sarnia had said this.

**Mr. Bullbrook**: Well, who has?

**Mr. Shoniker**: If the member will give me a chance to answer, it has been in the minds of some of the public. It has been brought to the attention of the board—

**Mr. Bullbrook**: Well, goodness gracious, we just—

**Mr. Shoniker**: That is all right. May I give you the rest of the explanation?

**Mr. Bullbrook**: You are saying that it has been in the minds of the public. You see, I want to record the fact that I have been approached in connection with this matter, in connection with these types of deflections and I will have no part of them. The whole Niagara Escarpment situation was deflected



on this and, as you know, it was a question of policy in connection with acquisition of lands.

**Mr. Chairman:** This is getting away from the point.

**Mr. Bullbrook:** Just a moment, if I might. I am on the point, because I am talking to what the chairman has said. I do not mean to be difficult, but I think the minister will recognize that at no time did we ever infer this in this committee.

**Mr. Chairman:** Okay, Mr. Shoniker, would you carry on, please?

**Mr. Shoniker:** Thank you. The corporate setup of Charterways Company Limited is as follows: There are a number of preferred shares and they are held by the following people. Firstly, there are 40,000 shares by a businessman in the city of London, whose corporate name is Nintosa Investments Limited.

**Mr. Bullbrook:** Who is he?

**Mr. Shoniker:** The man's name is Ninian T. Sanderson.

**Mr. Bullbrook:** If you want to get into this, we will get into details, if that is what you want.

**Mr. Shoniker:** I do not want to, sir.

**Mr. Bullbrook:** I do not. I never asked you for this.

**Mr. Shoniker:** Oh, I am sorry.

**Mr. Bullbrook:** I never asked you for a bit. I asked you for the financing behind this; now you are giving us the preference shareholder. I am primarily concerned with where the financing has been done in connection with the acquisition of their capital assets. I am not interested in their equity capital. I have never talked about their equity capital; but if you want to get into this, that is fine. Forty thousand preference shares, Ninian T. Sanderson—go ahead, sir.

**Mr. Shoniker:** Mr. Chairman, all I am endeavouring to do is give you a clear picture, if I could, of all the holdings of this company if you so desired it. I must have misunderstood you this afternoon.

**Mr. Bullbrook:** Let us go into it.

**Hon. Mr. MacNaughton:** May I interject for a moment, Mr. Chairman. I recall the hon. member being concerned about the

source of funds, whether they were American interests or whether they were Canadian interests. The chairman is attempting to tell us in this context that they are Canadian-held shares.

**Mr. Bullbrook:** I am not just interested. Since we are getting into this—

**Hon. Mr. MacNaughton:** If we can do it that way, may I suggest through you, Mr. Chairman, that we deal with it in those terms.

**Mr. Bullbrook:** I am not interested; therefore, now that we have got into it, we will talk about equity capital, okay? Therefore, we will go beyond equity capital and we will talk about financial arrangements in connection with the acquisition of various holdings.

**Mr. Shoniker:** Presently all the shares are held—

**Hon. Mr. MacNaughton:** I would just take a moment on that, Mr. Chairman. I think it is fair to say that the chairman misconstrued what the hon. member said, and I go back, and I repeat, his express concern was to whether there was large American investment in these situations. Now, if it can be pursued on that basis in terms of the hon. member's original request, is it not fair to do it that way?

**Mr. Bullbrook:** We will do that, surely.

**Hon. Mr. MacNaughton:** All right.

**Mr. Chairman:** All right, sir.

**Mr. Shoniker:** All the shares are held by residents of either London, Mississauga, Ingersoll, Scarborough, Willowdale or Samia.

**Mr. Bullbrook:** Who are they?

**Mr. Shoniker:** And the one share held in Samia is Marvin Davies, holding one director's share, a qualifying share.

**Mr. Bullbrook:** What other equity position has he?

**Mr. Shoniker:** Am I instructed to answer them by Mr. Chairman—

**Hon. Mr. MacNaughton:** I thought I had an agreement—

**Mr. Shoniker:** I thought the member wanted the figures and I intended to do it in the first place.



**Hon. Mr. MacNaughton:** I thought I had an agreement, Mr. Chairman, from the hon. member in the context that the chairman may have been confused to some extent by what the hon. member was seeking for first. If he now wants this information, that is all right. We can stop it at the one and tell you the basic source of the funds, be they American or Canadian. As I understand it—just let me pursue this. As I understand it, from the earlier remarks, that was your basic interest.

**Mr. Bullbrook:** Yes. But you see—

**Hon. Mr. MacNaughton:** Is it not proper to pursue it along those lines now before we go any further?

**Mr. Bullbrook:** Let us have some understanding about this, then, Mr. Chairman. I talked about this. This is the generic concern that we have. Right? If we have it in the book publishing industry, we are entitled to have it here. Okay?

**Hon. Mr. MacNaughton:** Right.

**Mr. Bullbrook:** There are two sources of capital available in this connection.

**Hon. Mr. MacNaughton:** I have no objection to this being done.

**Mr. Bullbrook:** I realize that.

**Hon. Mr. MacNaughton:** But I think that is what the hon. member wanted—in his own words.

**Mr. Bullbrook:** There is equity capital, right? And there is investment capital in connection with the acquisition of assets. Now, let us continue. Since we are talking about Mr. Davis, let us talk about the acquisition, if we may, of Davies Bus Lines, of Sarnia Transit Company and, I think, at the same time, Mr. Chairman, Sarlon was acquired. Was it?

**Mr. Shoniker:** Sarlon was there. The Sarnia operation was one solely within the corporate limits, I believe, of Sarnia. The board has no jurisdiction.

**Mr. Bullbrook:** What corporate responsibilities did Mr. Skinner's corporation acquire from Mr. Davies? Can you tell us that? Did he acquire Davies Bus Lines Limited?

**Mr. Shoniker:** He acquired Davies Bus Lines Limited to the best of my knowledge.

**Mr. Bullbrook:** Did he acquire Sarnia Transit Company?

**Mr. Shoniker:** Just a moment, I can tell you. Davies Motors Limited is one of the companies.

**Mr. Bullbrook:** What did he pay for it?

**Mr. Shoniker:** I have not got all that information here. You did not ask me to secure that, sir, and I did not.

**Mr. Bullbrook:** Well, I say to you most respectfully, if you recall, the question that I put to you was, I was interested in the total operations of Mr. Skinner. Now, rightly or wrongly, I thought and I have said this before, Mr. Chairman, there was a responsibility on the part of the Highway Transport Board in connection with acquisition. Right?

It is easy enough to say that since 1967 we have no bankruptcies. I am inclined to think there is a degree of pyramid financing in connection with Skinner's operation. I just wonder where the responsibility of the Highway Transport Board begins and ends in connection with the background financing of these matters.

**Hon. Mr. MacNaughton:** Let me make this observation. It would be obvious to me that Mr. Davies—or whatever his name is—holds one qualifying share. The transfer must be made on the basis of the assets of the company rather than in terms of share considerations.

**Mr. Bullbrook:** I do not want to simplify this beyond belief, but you recognize that I can sell one share and take back the mortgage on the physical assets for \$1 million?

**Hon. Mr. MacNaughton:** Or you can take the cash.

**Mr. Bullbrook:** That goes without saying. Does the Highway Transport Board not go into the internal financial details of these matters? I do not think they do.

**Hon. Mr. MacNaughton:** I do not know. I will have to find out.

**Mr. Shoniker:** We have all the financial details. I have not got them here with me unfortunately. All I thought you wanted was the corporate setup of the companies to establish what control Charterways had over what companies, and the corporate setup of the holding company, which virtually is Charterways, which holds the shares of all the other companies. I thought you

wanted to know who the shareholders were of Charterways.

I am sorry if I misunderstood you. I thought those were the instructions. I went over at dinner time and gained this information. But I have to bring one, two, six, or seven files—which I can make available to you—and tell you exactly. These are copies of the contracts; I can give you the information, but I do not have them here with me tonight. I am a little way away from my office unfortunately—

**Mr. Bullbrook:** Mr. Chairman, may I say this to you in defence of myself. I undertook something that is not normal in the House and that is that I said to the minister some six weeks ago that I wanted to go into detail in this matter.

So that we explicitly understand this, I think, since we have gone into it, it was not my concern, as I say—and I use the phrase again—to deflect myself by public rumour that I have heard, too, and I would not record in the annals of this House that public rumour in connection with who owned what shares of Skinner's.

I am very concerned about the financing that Skinner has undertaken in connection with the acquisition of his—if I can use the phrase—empire in public transportation. That is what I can concern about. I would like to know tomorrow—not so much who holds the 40,000 preference shares in Skinner's Charterways Company; I have catalogued for you today something like 17 companies here that Skinner has amalgamated under Charterways. That is not the purpose.

I think we have got to look into, for example, and I do not want to do this too much, but let us talk about Davies. He acquired Davies Bus Lines Limited, he acquired Davies Motors, he apparently acquired Sarnia Transit company, he acquired Sarnon Coach Lines Limited.

Let us find out tomorrow the following: what his equity participation was in those acquisitions—let us see exactly what he did. Was it a paper transaction? What is the equity position of the remaining shareholders, or the remaining debenture holders, or the remaining chattel mortgagees in connection with this? And, in point of fact, if there has been an infusion of new capital into this enterprise, let us find out the source of the infusion of that new capital. This is what I want to say.

Because surely from the point of view of the highway transport board, if an applicant

comes to them in the public commercial vehicle field, the chairman, I think, of the board would agree that he looks into these things. He would not want for a moment to consider the issuance of a public commercial vehicle licence unless he was sure that there was adequate financing together with the other consideration as to root needs and the public good.

So that this is what I would like to get into. I would like to find out where the source of this income comes from—

**Mr. Shoniker:** Mr. Chairman, to answer that question through you to the hon. member, he must remember that many of these transfers took place at least two or three years ago, possibly four years in some instances. But I can assure you there was a public hearing in each instance and the board was perfectly satisfied that there were sufficient finances, let us say, to carry on the company and meet its responsibilities, or the approval for the transfer would not have been given.

**Mr. Bullbrook:** Mr. Chairman, I am sure that if we hearken back—and this is not offending the chairman—to the acquisition of Lambton News in Sarnia last week—

**Mr. Shoniker:** I had nothing to do with that, with great respect.

**Mr. Bullbrook:** I know you did not. The point I am making is—surely to goodness I am not that diffusive in my comments. I am sure the minister understands what I am saying. I analogized last week—Lambton News was acquired in the city of Sarnia by American capital—purportedly. The government of Ontario undertook that this was improper.

Now, I want to say to you two things. First of all it was my understanding that in connection with the acquisition of PCV licences there was an obligation on the board to look to financial stability. Now is there not an obligation having regard to government policy, for us to look further? Where is the capital coming from? I would think there is.

This is all I am asking. I am really not interested in getting involved with members of Parliament or their wives or cousins or uncles or anybody else. That is their business I would hope, and I impute no conflict of interest in anyone.

**Hon. Mr. MacNaughton:** Well, let us clarify it now. I think the chairman has that



clear. As he has not got all the documents, probably, to provide that information.

**Mr. Bullbrook:** Well, that is understandable. I am sure he has not.

**Hon. Mr. MacNaughton:** As I understand it, Mr. Chairman, you are interested in the form of consideration that was paid to these various enterprises, you are interested in the source of capital, be it Canadian or American. And I suppose that encompasses basically what you are after.

**Mr. Bullbrook:** That is basically what—

**Hon. Mr. MacNaughton:** Can we produce that for tomorrow, Mr. Chairman?

**Mr. Shoniker:** Yes, foreign capital versus Canadian capital—

**Hon. Mr. MacNaughton:** You can answer that now?

**Mr. Bullbrook:** I want to get into some detail. Does the chairman say that we can get into some detail now? The chairman of the board?

**Mr. Shoniker:** I cannot get into the detail of the individual transfers. It is impossible because I have not got the files here.

**Mr. Bullbrook:** Well, I understand that we are entertaining sitting tomorrow morning, and subject to the consideration—

**Hon. Mr. MacNaughton:** I do not think you can entertain sitting tomorrow. I must attend upon cabinet.

**Mr. Bullbrook:** Well then, Thursday afternoon we might well be able to investigate the individual circumstances of Mr. Skinner's acquisition of various companies.

**Hon. Mr. MacNaughton:** I assume that is quite correct as far as the records reveal the information. You cannot go beyond that.

**Mr. Bullbrook:** May I ask this, then, that we deal with what the records show of the companies I have talked about?

**Mr. Shoniker:** Mr. Chairman, through you, may I clarify these points? These are companies that I have a record of: Charterways Company Limited, Air Terminal Transport Limited, Airlines Service Canada Limited, Brounwall Transit Limited, Davies Motors Limited, Inspiration Helicopters, which is a federal company. We have no file on it, but we know that controlling shares are held by

Charterways line—we have no file on it because they do not have an operation under The Public Commercial Vehicles Act or The Public Vehicles Act—the Niagara Coach Lines Limited, Richmond Carlton Bus Lines Limited, Sarnia Transit Company Limited, Two Cities Transit Company Limited, and Air Terminal Transport Warehousing Limited which is controlled by the parent company but has no operating licence under The PCV Act or The Public Vehicles Act. Therefore, of course, we have no file on it. Secondly is a company known as City Centre Airways Limited which is a federal company with no operating authority. We have no file, either. That is a list of the companies, sir, that we have. I am sorry, there is one other one here I think—Arrow Truck Collision Limited which is controlled by Charterways but has no public commercial vehicle licence, so therefore we have no file on it.

One other—Bus Sales of Canada Limited—has no licence under The Public Vehicles Act or The PCV Act. We have no file on it. That is the list of the companies that we have on file.

**Mr. Bullbrook:** You have no knowledge of Exeter Coach Lines Limited?

**Mr. Shoniker:** No knowledge of Exeter Coach Lines, sir, unless I missed it tonight, but I do not think I did.

**Mr. Bullbrook:** The acquisition of Exeter Coach Lines Limited by Charterways would have to be subject to the approval of your board, I would think.

**Mr. Shoniker:** It would have to be subject to the approval of the minister by recommendation from the board by means of a certificate.

**Mr. Bullbrook:** Well, the minister did not know about it and—

**Mr. Shoniker:** I must admit I do not know—

**Hon. Mr. MacNaughton:** The minister has not been around that long.

**Mr. Bullbrook:** Nothing derogatory in that, sir.

**Hon. Mr. MacNaughton:** No, I am just saying that as a matter of fact.

**Mr. Bullbrook:** Well, then, I had recorded into the records of the House the companies, some of which of course would have nothing to do with the chairman of the board. I doubt



very much whether the chairman would be interested in Skinner Sport Shop Limited.

But I thought Skinner owned the operation in North Bay. Does he operate that under Charterways?

**Mr. Shoniker:** That is the one, sir, Two Cities—wait a minute. Two Cities Transit is the Lakehead is it not?

**Mr. Bullbrook:** It is the Lakehead.

**Mr. Shoniker:** The Lakehead, I am sorry. It must be operated under Charterways, sir, I would think.

**Mr. Bullbrook:** That is the essential ingredient, then. This is what I was attempting to get to. Under the Charterways file I am sure that we will find there the acquisition, for example, of Exeter Coach Lines Limited. I am sure we will, because—

**Mr. Shoniker:** I will make sure in the morning.

**Mr. Bullbrook:** I am not sure but we probably will. We will probably secure information in connection with the acquisition of the operation at Sault Ste. Marie and, I believe, the acquisition of the operation in North Bay. However, I recognize the dilemma in which the chairman of the board finds himself tonight. I would hope we would have an opportunity of making more direct inquiry.

I want to say, in closing my particular participation in this part of the estimates, which has been lengthy, that I want to make some comments and perhaps the chairman would want to make a reply afterwards.

I just do not regard that the transport board should save its own conscience by saying that it grants licences on the basis of, amongst other things, ministerial discretion. The fact of the matter is that the present minister, for example—and this is not derogatory, it is purely exemplary—Exeter Coach Lines Limited in his own riding was acquired by Skinner.

Let me add to the comment that I just made. Sarnia Transit Company was acquired by Sinner, by Skinner—there is a Freudian slip if I ever heard one—by Skinner. I did not know about it until I began to look into the Skinner operations. I did not know Sarlon belonged to Skinner; I had no idea that Davies Bus Lines belonged to Skinner. The point is that when you talk about the exercise of ministerial discretion, again we get back

to the fact of the exercise of local autonomy on the part of school boards.

It is a question of us viewing the total impact of acquisitions by this gentleman. But not so much this gentleman—our vendetta is not against this gentleman. Our vendetta is against government policy in connection with where we are going in the public transportation field municipally and from the point of view of school bus services. This is really what we in the opposition are interested in.

So there are several things that I would like to invite the chairman to comment upon. Again, let me say this; he might well be a believer in the free enterprise system. None of us here, with the exception of certain fellows who sit in the back row with me right now, take issue with that. It is not a question of the free enterprise system, and let us not again befooled by this issue. It is not free enterprise. It is free enterprise emanating and propounding its benefits from public funds—that is the key ingredient—and whether we are going to establish policies that will really be put to the task by the Ontario Highway Transport Board in this whole field.

It is no longer a question of, as I say, the chairman saying: "All things being equal having regard to our investigation, we will grant the licence if we feel that the person is able to carry out the undertaking." You see, the essential ingredient I wish to convey to the minister and the chairman of the Highway Transport Board is the question of evaluating the phrase "all things being equal." Right? Are all things really equal? Do we not have a superimposed responsibility in this connection?

So tomorrow, notwithstanding the benefits accruing to McLeod Motors and J. T. Murphy and Langdon and others, and notwithstanding the fact that there are no bankruptcies since 1967, which I have to say in closing is a self-serving argument, because the point that I have made throughout in this particular exercise is that one hopes there would be no bankruptcies, having regard to the establishment of significant equity by Mr. Skinner and obviously Mr. McLeod and Mr. Murphy and Mr. Langdon.

It becomes a question of evaluating what the member for Haldimand-Norfolk had said before and to some extent others and the minister—the question of whether the public is being served well by us in effect, blinking our eyes to this growth. The question is whether the growth is a dangerous one now,

but whether, if we continue to blink our eyes, it might be dangerous in the long run.

So basically that is what we have attempted to put forward tonight in what we hope was an exhaustive analysis of transportation responsibility here. I would think on Thursday morning we will have the opportunity of discussing perhaps the financial aspect of things. And I thank you very much.

**Hon. Mr. MacNaughton:** I will just make a few closing observations to see if I understand this correctly. As far as policy is concerned you have already approached that. I think those answers, to the extent that they can be given, whether it is existing policy or new policy, will have to come from the minister. I would suggest that the only responsibility of the chairman of the Highway Transport Board is to provide those facts which you have requested. I am of the opinion that he will do that when we resume our discussions on Thursday.

In terms of policy, I have stated some aspects of the policy which we are considering at the moment. When it comes back in terms of policy consideration, at that point in time I shall have to ask myself and satisfy myself whether the free enterprise system or the misuse or use of public funds is being violated by what you have discussed. That will have to be my determination.

**Mr. Bullbrook:** "Violated" is a bit too harsh.

**Hon. Mr. MacNaughton:** But I shall have to be satisfied that it is being violated. At this point in time I am not prepared to admit or say that it is.

**Mr. Bullbrook:** "Violated" is a harsh word really.

**Hon. Mr. MacNaughton:** Well, what word would you use?

**Mr. Bullbrook:** I think perhaps I would use "misused." I think it is a less directly offensive word. But we are not into a semantic exercise.

**Hon. Mr. MacNaughton:** You get the message anyway, from my point of view?

**Mr. Bullbrook:** I get your message. But I want to ask you something though before we do close, since you do invite this. What about the concept of the chairman of the Highway Transport Board giving us his thoughts, as the chairman of the Workmen's Compensation Board did in connection with the impact

of transportation policy? Not the making of policy, but what about his thoughts in connection with what we have said now for nigh on I guess four hours or three hours? Is that too much to ask?

**Hon. Mr. MacNaughton:** No, I do not think it is. I might like to think about that a little bit. There was another reference there that said—I may be wrong—"Can somebody inform me about the authority of the minister or the direction that the minister gives in these areas?" I would say that the authority of the Highway Transport Board maybe stems through the minister, but I can assure you—

**Mr. Bullbrook:** I understand that the issuance of a licence is a ministerial function. I think that is basically it.

**Hon. Mr. MacNaughton:** That is correct, it is a ministerial function.

**Mr. Bullbrook:** Right, right.

**Hon. Mr. MacNaughton:** But if there is any suggestion or implication that there is any direction given to the board in this field I would have to deny that very vigorously.

**Mr. Bullbrook:** Oh, no, no. That was not attempted at all, but you recognize that these boards and commissions are purely emanations of policy discretions established by you in government.

**Hon. Mr. MacNaughton:** Right.

**Mr. Bullbrook:** So we get down to essential equations between your idea of policy—the propriety of it—and mine, and we represent the opposition and government. But the point is that I think there is a valuable exercise that was learned last week in the Labour estimates and might well be learned here, and that is, the attitude of those people who carry out the ministerial discretion. It is a most abstract phrase, is it not really?

In point of fact we are not detracting at all from the present board. I do not know them personally; I know them by reputation as being sincerely dedicated men. But the point is that your discretion is exercised by them and if we are going to put it on the basis of purely the fact of all things being equal, do we evaluate in the context of all things being equal that somebody is acquiring unduly a position in public transportation? Right? That is basically it.

**Hon. Mr. MacNaughton:** I guess so, and I think that calls for another response from



me. I can assert before this committee that I have never had any reason to believe that the advice and assistance I get from the chairman of the Transport Board has been anything else but satisfactory, and I assert that very positively at this point in time. You have asked me about—

**Mr. Bullbrook:** Well, we will not play games—

**Hon. Mr. MacNaughton:** No, but we—

**Mr. Bullbrook:** —and we will not end on a nasty note. You and I have loved each other during this debate. It is unusual, really.

**Hon. Mr. MacNaughton:** I do not know that this is a nasty note, because the hon. member asked me to consider these matters. I have considered them up to this point.

**Mr. Bullbrook:** I see your point.

**Hon. Mr. MacNaughton:** I have considered them. I do not know that that constitutes a nasty note; it was not intended to be.

**Mr. Bullbrook:** I am pleased with that.

**Hon. Mr. MacNaughton:** So, now we are back on that nice, friendly plane you see. That is fine; it is friendly.

**Mr. Bullbrook:** Listen, I am not going to run in Goderich if you do not run in Sarnia.

**Hon. Mr. MacNaughton:** Well I am not going to run in Sarnia, I am sure of that.

**Mr. Bullbrook:** Well we will get back to—

**Hon. Mr. MacNaughton:** Well I think it is fair for me to assert before this committee that I have never had any reason to complain about the type of advice I get from the chairman.

**Mr. Bullbrook:** That was not inferred. And I will stop the debate. I do not want to just seem to have the last word.

**Hon. Mr. MacNaughton:** Now that is not an unhappy note, really.

**Mr. Bullbrook:** No, in the context that you put it, it is not an unhappy note. But we have to go further, do we not, than just what the chairman of the Transport Board does? We, as the Legislature, in these estimates, have that responsibility. Thank you.

**Hon. Mr. MacNaughton:** Thank you.

**Mr. Chairman:** Mr. Young.

**Mr. Young:** Mr. Chairman, after that long and very interesting debate, I would like to come to another problem which is faced by the Transport Board, one which is referred to in the present report, and that is the matter of the rental companies which are ranging our highways almost outside the law.

A year or two ago I remember the Transport department report carried quite a long screed on this subject; and at some of the conventions some of the carriers were very concerned about it, and I think Bill Williams of Rexdale made a speech about this matter. It was raised in the House in the last two or three years, and I was wondering whether anything has been done, because the rental companies, many of them controlled outside the country, are setting up shops in local garages and service stations and they have no territorial limitations the way the local truckers have.

They work seven days a week, they do not seem to be bound by the necessity for insurance and they have no great obligation as far as their drivers are concerned. So the licensed carriers watch rather helplessly—

**Hon. Mr. MacNaughton:** Could I interrupt the hon. member now, with respect? Are you concerned about the extent to which leasing companies are evading the Act? Is that what you are concerned about?

**Mr. Young:** That is right. They are, I understand, evading the Act. I would like to ask whether anything has really happened to tighten it down? I understand that a committee was set up to draft regulations in this regard, and I understand that it threw up its hands in sort of a helpless gesture, finding it very difficult to cope with the situation.

I wonder if the minister could give us some information as to progress in meeting this problem on the highways?

**Hon. Mr. MacNaughton:** I believe the Act has been amended on, say, one or more occasions. But it may not as yet cope with the situation adequately. I do not know that, I would have to pursue it.

I can tell you this, we have been able to establish a rather excellent degree of rapport with the Automotive Transport Association, which is also concerned about some of these matters. We had some discussions with them and I would in this instance make reference to the president and certain senior members of the executive. Mr. Humphries informs me that we are going to have another discussion with them, I guess in a few days.



**Mr. R. H. Humphries** (Registrar of Motor Vehicles): This week.

**Hon. Mr. MacNaughton:** Apparently a few days. If there is any more that could be explained to the hon. member in specific terms maybe Mr. Humphries would pursue that.

**Mr. Humphries:** The enforcement of the present Act has produced 251 convictions against that type of illegal operator in the past three years.

**Mr. Young:** That is under section 2, subsection 2 of the Act.

**Mr. Humphries:** That is correct; 251 convictions.

**Mr. Young:** Two hundred and fifty-one convictions?

**Mr. Humphries:** Yes, in three years.

**Mr. Young:** Over the three years. How heavy were the fines that were levied?

**Mr. Humphries:** Sir, I am afraid I do not have that information.

**Hon. Mr. MacNaughton:** Would you know that, Mr. Shoniker?

**Mr. Shoniker:** No, I do not. Most of them were around \$100.

**Mr. Humphries:** The maximum was \$100, was it not?

**Mr. Shoniker:** Most of them got the maximum; some were lower than that.

**Mr. Young:** Yes, they range from \$25 to \$100, but my question is, is that fine adequate to deal with this kind of situation? It just seems to me it becomes a licence fee for these people to operate.

**Hon. Mr. MacNaughton:** I think that is something we may well determine in a continuing discussion with the association, because they are professing concern too, as you can imagine. So we may—

**Mr. Young:** Is there any idea of treating these people on the highway the same as the licensed carriers are treated? That is, the licensed carriers can be inspected on suspicion, but with these people, evidently, if they are suspected a charge has to be laid and they have to be haled into court. They cannot be inspected on the highways. I think this was the situation. It still is the situation?

**Hon. Mr. MacNaughton:** We certainly have these powers for licensed carriers—

**Mr. Young:** But not for the others.

**Hon. Mr. MacNaughton:** No, not for—

**Mr. Young:** And is there any way they could be brought under that kind of legislation?

**Hon. Mr. MacNaughton:** There is always a possibility, I suppose, in those terms. We would have to require that they become licensed. That is the other—

**Mr. Young:** Is that move going to take place?

**Hon. Mr. MacNaughton:** As I say, this will emanate from the discussions we are going to have. It is a matter of making the best determination possible as to what can be accomplished.

**Mr. Young:** The information I have is that these people are still safe. They are haled into court 251 times. However, many companies may have been involved, we do not know at this point. Perhaps, certainly, the record would show it, but they pay the fine of \$100 or so and they keep right on operating. Or, if they are ordered to cease and desist, then the name is changed and the same trucks continue to operate under a different name.

**Hon. Mr. MacNaughton:** There are problems in this area.

**Mr. Young:** This is the kind of thing that goes on. For two or three years there has been some assurance that we were going to tighten these loopholes, that these people were going to be brought under the rule of law; yet, is it so difficult to do this?

**Hon. Mr. MacNaughton:** There are some difficulties, yes.

**Mr. Humphries:** On enforcement, let me give this example of one company against whom we have 85 convictions.

**Mr. Young:** That is Canadian American Transfer Limited.

**Mr. Humphries:** There is one case that has gone from the lowest court to the highest court. It has gone to the Supreme Court of Canada now on the point as to whether or not the registrar of motor vehicles can exercise his authority under The Highway Traffic Act and cancel the licence plates.

Having got those convictions, we were going to move in that direction but I was stopped from doing so on the basis that this was being taken to the Supreme Court of Canada. That decision is coming now, but that has been going on for 2½ years. I tell you that, sir, to show you the efforts that have been made to control the situation.

**Mr. Young:** But if you can win this in the Supreme Court, then you think the way is clear? You feel it must be won there before you can act?

**Mr. Humphries:** There would be authority there in the event of convictions for this offence to cancel the licence plates for those vehicles.

**Mr. Young:** And if you lose?

**Hon. Mr. MacNaughton:** Then we will have to take it back and look at some legislation.

**Mr. Young:** It just seems to me that this situation is a tough one, as you point out, but it is one that is eminently unfair, I think, to the holders of PCV licences in the province. They are finding it extremely difficult to operate.

**Hon. Mr. MacNaughton:** That opinion is shared by the industry too, and that is why we are talking to it.

**Mr. Young:** Yes, but the time factor seems to me to be almost intolerable, because this has been a problem for a long time. Certainly the former minister was aware of it for a long time and now, with a new minister, I presume we are going to get real fast action.

**Hon. Mr. MacNaughton:** Well, we are interested in the pursuit of this matter. Of course, once it is at the court level, I guess we have to wait for a decision to see whether our legislation is adequate or inadequate for the purpose that is required, and at that point of time we will have to deal with legislation. But as long as it is before the court, I do not think we can pursue it.

**Mr. Young:** Well, I will leave it with the minister then for this year, and if he is still there next year, we will bring it back. If he is not, why some of the rest of us will have to deal with it.

**Mr. E. W. Martel (Sudbury East):** He will not be; he might be around, but he will not be the government.

**Hon. Mr. MacNaughton:** Well, I do not know that these observations are pertinent to the discussion at hand, really; I do not think they are.

**Mr. Martel:** I just thought I would throw that in.

**Hon. Mr. MacNaughton:** Well, do it with me in the corridors, not in the committee room.

**Mr. Chairman:** Is there any further discussion on vote 2303?

**Mr. Young:** With the exception of the information coming—

**Hon. Mr. MacNaughton:** Mr. Chairman, may I be permitted a two-minute leave?

**Mr. Chairman:** Yes, surely. We will adjourn the committee for two or three minutes.

**Mr. Young:** Vote 2303 has to come back for the finalization of this one item.

**Mr. Chairman:** It is my understanding that the chairman of the board is to bring back certain information for Mr. Bullbrook at his request.

**Mr. Young:** So vote 2303 is held in abeyance until that time?

The committee adjourned for four minutes and resumed at 9.54 o'clock, p.m.

**Mr. Chairman:** Vote 2303 is held in abeyance for information to be provided by the chairman of the Highway Transport Board to a member and for no other purpose. We will move on to vote 2304.

On vote 2304:

**Mr. Young:** On vote 2304, Mr. Chairman, is it possible for a motor vehicle to be licensed in the Province of Ontario without insurance or tied in with the motor vehicle accident claims fund?

**Hon. Mr. MacNaughton:** I must apologize, I did not hear the question.

**Mr. Young:** It is possible for a motor vehicle to receive a licence without producing a valid certificate showing that he is insured with a private company or else tied in with the motor vehicle accident claims fund?

**Hon. Mr. MacNaughton:** Well, it is impossible unless he is prepared to falsify his statement.

**Mr. Young:** So in the case of a person who is hit on a public highway by an uninsured vehicle, one takes for granted that he is insured through the motor vehicle accident claims fund? And if that person is sued in court and the damage is awarded against him, then the owner of a damaged vehicle can apply to the motor vehicle accident claims fund for payment?

**Hon. Mr. MacNaughton:** That is correct, yes.

**Mr. Young:** So there is no problem in that sense?

**Hon. Mr. MacNaughton:** He can sue. He will only be remunerated up to the limits of his coverage under the motor vehicle accident claims fund, of course.

**Mr. Young:** Private insurance might run out. I might be insured in June, say, as I am; I might be licensed in January. My insurance runs out in June. I might not renew it.

**Hon. Mr. MacNaughton:** That is a possibility.

**Mr. Young:** And so I could be uninsured, say, for six months, but under the motor vehicle accident claims fund that would be impossible.

**Hon. Mr. MacNaughton:** Yes, whether or not he has made his contribution. In other words, whether he has falsified his statement and says that he is insured and has not paid the fee, he is still covered.

**Mr. Young:** He is still covered?

**Hon. Mr. MacNaughton:** Yes.

**Mr. Young:** As long as he is running that motor car, the—

**Hon. Mr. MacNaughton:** I think I am right—

**Mr. Young:** I have a case where a gentleman was parked on the side of a highway. The court has established that he was legally parked because he was charged and then the case dismissed, but another car hit him in the rear. The car that hit him was not insured. Now he can sue the owner of that car, get a judgement against him, and that judgement would have to be met by the fund?

**Hon. Mr. MacNaughton:** It is not necessary to sue. He simply makes an application.

**Mr. Young:** He makes an application without having to go to court?

**Hon. Mr. MacNaughton:** Right.

**Mr. Chairman:** Mr. Ben.

**Mr. G. Ben (Humber):** I want in on the next vote, 2305.

**Mr. Chairman:** Vote 2304 carried?

Vote 2304 agreed to.

On vote 2305:

**Mr. Ben:** Mr. Minister, I would like to speak on 2305.

**Hon. Mr. MacNaughton:** On this matter?

**Mr. Ben:** Yes.

**An hon. member:** Your concerns are over now.

**Mr. Ben:** Mr. Minister, with the government decision to cancel the Spadina Expressway extension, and the cancellation with the consent of the federal transportation board of much of the passenger train service throughout Ontario, or its phasing out, I think it is obvious that we have to make a complete appraisal or reappraisal of the transportation needs of the people in this province. And in discussing the cancellation of passenger train service, the first thing that occurs to me is that we must replace that cancelled service with service of another type.

In this regard, one would naturally think of buses but I suggest that in this day and age, buses are rather slow and inefficient when it comes to the rapid movement of the people and we must look to air transportation as a substitute.

The other evening under the estimates of The Department of Financial and Commercial Affairs I had occasion to mention the provincial air service which had been established by the government of the day some time during the middle Twenties. This provincial air service subsequently became part of The Department of Lands and Forests' fire-fighting service. However, during its existence it became world famous. In fact, it was the cradle of aviation in Canada and many who later became famous as bush pilots or even famous in the air transportation field received their initiation or training or their experience with the provincial air service.



I recall names like Duke Schiller, Roy Maxwell, Frank McDougall, George Ponsford—a lot of these names are still familiar to us—and Tom Cook—to name a few. It was men like these who subsequently went on their own or went to work for others and really opened up the north, both as to colonization, but mostly they were responsible for exposing the riches of the north and enabled Canada to become a highly industrialized nation, and Ontario, let us face it, Ontario, the richest of the provinces—and, if I may be pardoned for saying, a good place to be.

**Hon. Mr. MacNaughton:** You may be pardoned for that.

**Mr. Ben:** I think the time has been reached where we should again create a provincial air service. I think we need a service for the benefit of communities like Sault Ste. Marie, Sudbury, North Bay, Thunder Bay, Timmins, Kapuskasing, Cochrane.

I made some telephone calls just to find out what it would take to institute a service such as that using the short take-off and landing Twin Otters manufactured by de Havilland. I was informed from very reliable sources that using a 20-passenger Twin Otter on the runs which I have mentioned—not necessarily covering all those cities—but using a 20-passenger Twin Otter, and operating at 45 per cent load capacity, the air service would break even, and that would include an amortization of the capital cost, interest charges, depreciation, fuel oil cost, maintenance charges, hangar and landing charges, personnel, both flying and maintenance. All these charges, operating at a 45 per cent capacity and on a basis of two round trips a day.

Now, unfortunately I did not take the trouble to inquire how much a Twin Otter costs. Perhaps somebody here would tell me? At any rate, I know it is not that expensive. It is a relatively economical aircraft. But this service may not be restricted to the north.

One place where there is a crying need for such a service, especially since they phased out or cancelled the passenger service running up to Owen Sound, would be the area of Wingham, Wiarton and Owen Sound and Toronto. Presently, it takes from three to 3½ hours to make the trip between Toronto and those places by automobile.

It takes from 3½ to four hours to make the same trip by bus. I am informed that by

air, using one of these short take-off and landing aircraft, it would take approximately 25 minutes. I am not suggesting, Mr. Minister—

**Hon. Mr. MacNaughton:** It does not matter, give or take a few minutes.

**Mr. Ben:** —it would include going from Owen Sound to Wiarton to Owen Sound to Wingham and stopping at all trees. Let us say from Wiarton to Toronto, or Owen Sound to Toronto, or Wingham to Toronto, it would be 25 to 30 minutes. This is what I have been informed.

If you are going to run a milk-run service, of course, you would be a little longer, but still considerably less than the 3½ to four hours that it takes at the present time.

We cannot, if we establish this air service, Mr. Chairman, fly beyond the boundaries of the Province of Ontario, because then we would be into federal jurisdiction. So we cannot operate such services between Toronto and Montreal, for example, or Toronto and Buffalo.

There is, however, a need for such a service on the Pembroke to Kingston to Peterborough to Toronto run. The Toronto to Ottawa run is out because it is very well served by Air Canada at a good profit. We could run it there but there is, as I say, also a need for a Pembroke to Kingston, Kingston to Pembroke or Pembroke-Kingston-Peterborough-Toronto run. You might even say you could extend it from Toronto to Niagara Falls and Hamilton.

To establish a northern service and a southern service of the type that I have mentioned, Mr. Chairman, would require five aircraft—two for the north, two for the south and one which would act as a floating back-up, say, which would be shipped either north or south depending where the need was.

Aircraft of this nature, Mr. Minister, require runways of 2,000 feet. To give a sufficient safety factor, you could add on a couple of hundred yards. You do not even have to do that, provided you do not have a haystack at the very end of the runway. Are there other dangers? It depends on whether you are landing or taking off.

A 2,000-foot runway, Mr. Chairman, I would point out to those who golf, is just a good par-five hole with a short par three tacked on to it. It is a relatively short distance—600, 700 yards—

**Mr. Martel:** You should compete against Hogan!

**Mr. Ben:** —which means, with those types of runways, you can construct outside every city and town and village in this province. Today, there would be no need to construct them outside of every town, but I say to you, Mr. Minister, that the method of travel in the immediate foreseeable future is going to be by short take-off and landing aircraft.

It is going to be common for people throughout the whole province to be able, by making a telephone call, to have an aircraft—one of these short take-off and landing aircraft—land at their town and pick them up and take them to the next stop along the route. I am not suggesting that we are going to have this milk-run service tomorrow or the next day, but it is feasible.

I point out to you, Mr. Minister that de Havilland short take-off and landing aircraft are manufactured in this province. As a matter of fact, I think they were made—I am not sure whether de Havilland did get a forgivable loan from you; the Erie Aircraft Company did, but I am not sure about de Havilland. I do not think they got a forgivable loan, did they?

**Hon. Mr. MacNaughton:** A loan?

**Mr. Ben:** Yes.

**Hon. Mr. MacNaughton:** Not to my knowledge.

**Mr. Ben:** No, I do not think they did. I think it was just the one at Fort Erie. At any rate, these aircraft are manufactured here; they are sold all over the world. There is an aircraft line down in the United States called the Executive Airline which uses these aircraft almost exclusively on the short runs very economically. And they do better than 45 per cent capacity. They run almost at 100 per cent capacity and they pay for the aircraft in no time at all.

So, I think, Mr. Minister, you have to start giving consideration to this type of travel to replace rail passenger travel. I think you have to start building these airstrips throughout the province. I think you have to make a very detailed study of transportation needs, insofar as it concerns people in this province and utilizing other than the private motor vehicle and the passenger trains, which are being phased out.

The only answer is, air—short take-off and landing aircraft or large helicopter buses.

I think the sooner you do this, Mr. Minister, the better, and I trust you will give consideration to this.

**Hon. Mr. MacNaughton:** I should like to make a comment or two on this, Mr. Chairman. I have dealt with this to some extent in the House in reply to questions. I will try to enlarge on it a little bit now.

We have been studying this for some period of time, to the extent that—well, let me first say that I commend the hon. member for his research. It is very good, very accurate. But the proposal that I have discussed in responding to questions in the House involves a project that is very well advanced at the moment.

To prove to ourselves the things that the hon. member has said and which we are also aware of, we are very shortly going to undertake a demonstration project. For this purpose we have asked, I think, six potential carriers to respond to certain criteria that we have set out. These briefs are in now. They are being examined.

From the six we will make a selection of the one that appears on all counts, a weighting basis, if you like—we will select one of those carriers to undertake a demonstration project. Our target date for commencement is September.

In other words, the demonstration project will use this type of aircraft and we will take one of the routes, or something similar to what the hon. member has suggested, and actually go into operation, hopefully this fall.

**Mr. Ben:** Very good! I commend the hon. minister.

**Hon. Mr. MacNaughton:** I said that in the House before. The reason we have chosen to do it this way is because we will be able to determine in actual operation what it might have taken much longer to do in terms of employing consultants to produce information that we require.

We are going to do it in terms of an actual demonstration project where fares will be charged, revenues will be received and set off against the costs—everything, I suggest, the hon. member referred to. Our target date for the implementation of this demonstration service is September. Hopefully, we are going to be able to achieve it.

**Mr. Ben:** Mr. Minister, I think you will find that it will not be a demonstration project. It will be a fait accompli.



**Hon. Mr. MacNaughton:** It will. We will learn much from that. I believe it will probably be operated for demonstration purposes—and, in fact, actual operational purposes—for something like a three-year period.

**Mr. Martel:** Is that from Sudbury to North Bay?

**Hon. Mr. MacNaughton:** That determination has not been made yet. When it has we will make the suitable announcements to all interested people.

**Mr. Martel:** Try some place outside of Toronto.

**Hon. Mr. MacNaughton:** The area for the demonstration project has not yet been determined. For this purpose, it does not really matter. We may not be able to get into the broader aspects all at once. I think that maybe there is some wisdom in what we are proposing to do.

I suppose it is fair to assume—and I will ask Mr. Foley, who has been very actively involved in this matter—that possibly within the three-year period, if we can determine what we wish to know from the demonstration aspects of the operation, we may be able then to expand it. It is a possibility. We have set a three-year period, but it may lend itself to some expansion in that period of time. It is a possibility.

**Mr. Ben:** I take it then, Mr. Minister, if I may be permitted to interject, that it will be operated by a private enterprise, rather than by the government?

**Hon. Mr. MacNaughton:** If we prove to ourselves, as the hon. member has suggested, with some very appropriate facts and figures, that it transpires that those cost factors stand up under demonstration—the utilization of the facility that is provided and the accruing revenues come out properly—then it will be expanded very substantially.

**Mr. Ben:** What bothers me, Mr. Minister, although I applaud this, is that I feel that after a three-year demonstration period it is going to be a fait accompli and the firm carrying out the demonstration, if I may use that word, is going to be firmly entrenched and, in fact, will then have a monopoly on short haul aircraft into Toronto.

**Hon. Mr. MacNaughton:** No, not necessarily.

**Mr. Ben:** Well, I do not see how you could find anyone who would be able to

match the experience gained by whoever does carry out the demonstration project. Mr. Minister, I am not condemning the thought. I am just pointing out to you that after a three-year demonstration period, obviously the person carrying out this demonstration, or the group that carries out the demonstration—the firm or whatever it is—is going to be entrenched in the degree that it will be natural for them to continue to do it on a full-time basis throughout the Province of Ontario.

**Hon. Mr. MacNaughton:** I think I would have to disabuse your thoughts on that, if I may.

**Mr. Ben:** I hope you can, Mr. Minister.

**Hon. Mr. MacNaughton:** I think I can. What we will learn from this process, and what others will learn from it, because we will make it available, will make it possible for us then to assign certain routes to other carriers.

We have no intention, as I say, of allowing a total monopoly in this field to one firm at this point in time and I do not think it will be necessary they will become entrenched. It may be that they will be able to bid on other runs, or whatever method we choose to employ. But it will be open then against the information we are able to obtain—the criteria then that we are able to apply to other carriers. There will be no exclusive operation.

**Mr. Ben:** It is a difficult proposition in this regard. There are a sufficient number of routes, so you could have a number of carriers doing it.

For example, you could have one carrier operating in the north and one in southwestern Ontario and one in eastern Ontario, with the servicing of the aircraft left to the manufacturer who happens to be de Havilland, in the province. Servicing should be central as far as air travel is concerned and it could handle all the servicing.

If de Havilland does not handle the servicing then it obviously would be an economic advantage, I should say, for one firm to have responsibility for all of this short take-off and landing flying, because it then could economically service its own aircraft. I am not suggesting one; I am not suggesting the other. I am just trying to make the minister aware of some of the pitfalls that will be faced by—

**Hon. Mr. MacNaughton:** While we are on this particular topic, may I ask Mr. Foley to explain why I do not think there is as much



feasibility to what the hon. member proposes as he believes and then I may come back to one or two of the other questions you asked.

**Mr. Foley:** I think your fears are relatively unfounded in the history of the aviation industry, particularly as it pertains to lower density cities outside of Toronto, in that one of the inherent problems in this industry is its instability—there is not enough capital available and these people cannot maintain their equipment, they cannot get satisfactory equipment. One of the exercises of the demonstration programme and what we attempt to find out is how you can introduce stability into the industry so that the carriers can maintain a viable span of control over a specific route. There is such geographic diversity in most of the areas in Ontario in terms of the air transport density that there is plenty of room in the province in these kinds of communities for a number of carriers to operate.

The problem to date has not been the amount of competition. It has been that there is such an excessive competition that the instability is brought about because of high elements of capital required, sophisticated management, expensive maintenance bases and so on. There has to be some rationalization. One of the keys of the demonstration will be to show how that rationalization can take place and still meet a required level of competition.

**Mr. Ben:** If you could lend McClelland and Stewart \$1 million at no interest for five years—which is to me a real phoney deal—surely you could lend enough capital to these charter outfits to set themselves up and charge them interest on the money that you are lending them.

If I may digress from that, one of the advantages of having—

**Hon. Mr. MacNaughton:** Let me pursue that! I do not see that there is any particular problem there, but we will not be able to reach the determination as to how much capital they need until we have gone through this process to perform the service that is required.

**Mr. Ben:** Yes. I think all you would need would be a combination hangar, coffee shop and ticket office plus an airstrip and you are in business.

What intrigues me about the whole concept Mr. Minister, is that your government, or the government of the day, will be able per-

haps to impede the future growth of the large centres because people will then be able to reach them quickly and economically through these short-haul aircraft. At the present time, people want to be close to where the action is and if they could get from Owen Sound in 35 or 40 minutes—good grief, maybe the member for Grey-Bruce (Mr. Sargent) will prefer to stay in Owen Sound rather than come to Toronto.

**Hon. Mr. MacNaughton:** I doubt that.

**Mr. Chairman:** Mr. Stokes.

**Mr. J. E. Stokes (Thunder Bay):** I would like to have the minister or one of his people in the department very briefly bring me up to date on the airstrip programme that is costing \$788,000 this year. I get the impression that in view of certain decisions made recently there is a moratorium on a lot of work that was on-going previous to this minister taking over, because of this rationalization. Now, when the minister made his announcement of this pilot project, almost concurrently with it, I think, there was a slowdown in decision-making with regard to the airstrip programme. The last time I was up in Big Trout, after considerable sums of money being spent up there, that strip still was not operational and one carrier has had two DC-3s sitting in Thunder Bay for the last two years, waiting to use that facility. I understand the same thing pertains at Sandy Lake in Kenora riding. At the same time, there seems to be some reluctance on the part of the department to make a decision with regard to Geraldton; so I am just wondering what has taken place that has slowed this whole programme down.

**Hon. Mr. MacNaughton:** The point is that it has not been slowed down. You made reference to Big Trout Lake. There is a carryover of work to be completed there involving an estimated \$5,000, which will be completed this year and then that is operational.

**Mr. Martel:** How long has it taken?

**Hon. Mr. MacNaughton:** It should not take too long. It started in 1969; it will be operational during the latter part of this summer. But this bit of work that was carried over from last year—

**Mr. Young:** So it will be 1972 before it is operational?

**Hon. Mr. MacNaughton:** No, the latter part of this summer, I said.

**Mr. Martel:** So it took almost three years to build a runway?

**Mr. Stokes:** It will be operational this summer?

**Hon. Mr. MacNaughton:** Yes.

**Mr. Martel:** I have a better word for it.

**Hon. Mr. MacNaughton:** I think, if I may, Mr. Chairman, I am trying to reply to the information solicited by the member's colleague.

**Mr. Martel:** Pardon me.

**Hon. Mr. MacNaughton:** Yes, thank you very much. It will help me to reply to your colleague, if you keep these interjections to a minimum.

**Mr. Young:** That is what you call lowering the boom.

**Hon. Mr. MacNaughton:** No, it is on kindly terms. I am trying to be helpful. You expressed interest in Sandy Lake. Sandy Lake is the same as Big Trout Lake. There is more expenditure and more work to be done there, but we still look forward to completion this summer. There is still an expenditure of \$35,000 on work. That work is going on now. Our expectation is that that will be operational this summer.

**Mr. Stokes:** And what about Geraldton?

**Hon. Mr. MacNaughton:** Geraldton? We are starting the clearing on a selected airport site this fiscal year, with completion in a later year as funds are available. But the work at Geraldton will commence in terms of clearing requirements this year.

**Mr. Stokes:** That is the Hutchison Lake site?

**Hon. Mr. MacNaughton:** I presume it is. Can you answer that in some more particulars for me for Mr. Stokes?

**Mr. R. P. Killaire (Airstrip Development Section):** The particular Geraldton site that you are speaking of—

**Hon. Mr. MacNaughton:** You had better use the mike, if you will.

**Mr. Killaire:** —came to us initially in the context of our 50 per cent cost-sharing programme, which is the normal airstrip development programme. We have been speaking with the people in Geraldton for

over two years under that cost-sharing programme. While a number of projects have been discussed with them, they have not made a decision to come forward under those. Early last fall, an appeal was made by another department of the province, The Department of Lands and Forests, that we should go beyond the limits of our 50 per cent cost-sharing programme—

**Mr. Stokes:** For the chemical fire-fighting programme.

**Mr. Killaire:** —in order that they could initiate a chemical fire-fighting programme, and Geraldton was one of those sites.

**Mr. Martel:** If you were building Malton at that rate of speed, you would say—

**Hon. Mr. MacNaughton:** I would say to the hon. member we have not been building one airport; we have been building many.

**Mr. Martel:** And I was saying if you had built Malton at that rate of speed, you would still be in the process of building the first runway.

**Hon. Mr. MacNaughton:** Yes, well, that is one man's opinion.

**Mr. Stokes:** Where does it stand now? You are going forward with just the land clearing or the clearing of the site this year?

**Hon. Mr. MacNaughton:** Yes, we have to start there.

**Mr. Stokes:** And you will be proceeding as funds are available?

**Hon. Mr. MacNaughton:** Yes.

**Mr. Stokes:** All right. I have been talking to several air carriers. As a matter of fact, before I flew down yesterday morning at 9.30, I was talking to one of the people on your committee who will study this pilot project and where it will be operated. They seem to think that you are on the right track and there is a good possibility that maybe we will get something going on a regional or a provincial basis. They speak well of it and they hope that you will call more meetings so that they will be able to express their views and offer any assistance possible.

In talking to them, I find that there is no place between Sault Ste. Marie and the city of Thunder Bay, that is right across Lake Superior, which any of these small independent carriers can use. There are no radio beacons. I do not have the statistics with me.

They were supposed to make them available to me. I know that this is a federal responsibility, but I see in this vote that this is the one area where there is some dialogue and there is some interchange of research in this whole department. I am wondering if we can enlist the aid of the minister and his department to intercede on behalf of these carriers to get a relatively inexpensive radio beacon set up at two or three places along the north shore.

We have had several fatal accidents as a result of people losing their way. I can recall one family that was completely wiped out—a doctor, his wife and three youngsters—because there was no signal for them to follow. They simply lost their way. This is just one of several that has taken place over the past few years.

**Hon. Mr. MacNaughton:** Yes; we are working with the federal government now on these navigational aids they required. At this point in time, it is under the jurisdiction of the federal government. That is what prompted me to say yesterday we were discussing this matter in another context, I guess.

What we are sadly in need of is intraprovincial regulations and we are pursuing that with the federal authorities, too.

**Mr. Stokes:** Yes; because there are very few beacons. There is one at Sault Ste. Marie.

**Hon. Mr. MacNaughton:** That is right

**Mr. Stokes:** There is one up at Kapuskasing and then you do not get another one until you get to Thunder Bay. There is this huge area in which a fellow is just flying by the seat of his pants. If the weather closes in on him, he has had it.

**Hon. Mr. MacNaughton:** Quite right.

**Mr. Stokes:** With these airstrips so far apart, the chances of his getting from one to the other are very remote.

**Hon. Mr. MacNaughton:** You are absolutely correct. We are completely aware of it. It will be a problem too, even with the demonstration project, unless we can hasten this aspect of it at the federal level.

**Mr. Stokes:** Then you are actively pursuing it?

**Hon. Mr. MacNaughton:** Oh, yes, we are actively pursuing it because we want to convince them that we should have the authority to regulate intraprovincially. Then, of course, we do not have to go through this exercise.

**Mr. Stokes:** One final question—

**Hon. Mr. MacNaughton:** And we may achieve some degree of success. I am hopeful that we may.

**Mr. Stokes:** One final question: How serious do you think Air Canada is in its recent announcement to get out of the regional air carrier service? Do you think it is really serious?

**Hon. Mr. MacNaughton:** Yes, we regard this as quite serious, a matter of determined policy. We have no reason to say that it is not.

But this leads me then, if we can pursue that line for a moment, to say that we propose to fill that gap too if we can. That also involves the federal jurisdiction or the transfer to intraprovincial jurisdiction.

So we want to close that gap. We are being served partially now by Transair out of Manitoba. They are assigned the route, that you will be familiar with, by the federal authorities because they needed the revenues that they could generate in Ontario to make up for the losses in servicing Manitoba.

**Mr. Stokes:** That is right. Their jet service—Winnipeg to Toronto.

**Hon. Mr. MacNaughton:** Exactly. The other regional service, of course, comes from Quebec, which is Nordair. We propose to fill the remaining gaps if we can negotiate these things one way or the other.

**Mr. Stokes:** Very good.

**Mr. Chairman:** Gentlemen, it is 10:30. I suggest that we adjourn until 3 p.m., Thursday afternoon.

The committee adjourned at 10.30 o'clock, p.m.



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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Transportation  
and Communications

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Thursday, June 24, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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# LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, JUNE 24, 1971

The committee met at 3:30 o'clock p.m. in committee room one; Mr. M. Hamilton in the chair.

## ESTIMATES, DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS (continued)

**Mr. Chairman:** We will continue today with The Department of Transport estimates, vote 2305. I believe Mr. Spence was first.

On vote 2305:

**Mr. J. P. Spence (Kent):** Mr. Chairman, I was sorry that the other night I was so late in getting your eye; but nevertheless, what has concerned me is transportation in this province.

We feel there are injustices in many places. Maybe freight rates are not really a problem of this government, but this is a problem to people in the Province of Ontario; and the transportation system right across the Province of Ontario.

We have products that we ship to Toronto and to Hamilton to get processed, and it is cheaper in some cases to go to the United States and buy the finished product there on account of transportation.

We also find too, in shipping our corn by rail to Montreal, the United States can put its corn in there a lot cheaper. The freight rate is 21.5 cents from Chatham, and US producers can put their corn in there by water a lot cheaper than we can place ours; either that or we have to take a lower price.

Then we have industries in the United States which can come here to Canada to buy potash in Saskatchewan, to buy nitrate and other ingredients here from the Province of Ontario, take them out of the Province of Ontario over to the United States, process them and then we can go over there and buy it at \$10 and as high as \$40 plus a ton.

We also hear men in business who say they cannot operate in the rural areas, in the small areas, or maybe in the small cities. They have to locate in the big metropolitan areas such as Toronto. I am proud of Toronto,

I am not trying to knock Toronto, but it seems it is transportation that makes the decision where they locate.

I think, and it has appeared to me so often, transportation is so important, wherever you are located, whether you survive or whether you do not survive. We see the wide differences in prices on goods or food in northern Ontario and in southern Ontario.

I do not know, Mr. Minister, whether you have done any studies or research on the whole transportation system throughout this province, but I would like to bring it up under your estimates. I think it is time we had a look at every phase of the transportation system to see if there is anything wrong, because I feel there can be great improvements made and some changes that would help many industries, not only the agricultural industry, but other industries, to locate in different parts of the province.

I think that transportation makes the decision—the prices or the rates—where they locate, as I said before. I do not know whether I am out of order here, but I feel that when it concerns so many of us and so many different industries, that it would be a great thing if the Minister of Transportation and Communications would make a study of this whole transportation industry and costs, and see if there is anything wrong, which I think there is.

**Hon. C. S. MacNaughton (Minister of Transportation and Communications):** I would have to agree with the hon. member that there are many, many problems in this area. I suppose I could say, first, that this is probably one of the reasons why the two departments were integrated. So doing permitted us to set up a transportation section that is undertaking a very thorough review of this and has been doing so for quite some time. It is being done.

I guess it is fair for me to remind the hon. member too that the jurisdiction—and I have said this in other fields—the jurisdiction in this field does not lie in the province. It lies at the level, of course, of the federal government, which regulates the rate structures and freight rates of the railroads.

So the extent to which we are concerned about it, and are researching it now is to fortify any input we might have into the level where the determination is made. I can assure the hon. member that that is taking place.

It is not going to be accomplished overnight. It is reasonably well advanced, when you consider the time factors that have been involved, but certainly you have my assurance that is uppermost in our consideration as well.

**Mr. Spence:** I appreciate that, Mr. Minister. I think it is long past due.

**Mr. Chairman:** Mr. Haggerty.

**Mr. R. Haggerty (Welland South):** Mr. Chairman, following along the same lines as the member for Kent, perhaps it is time we had a national transportation policy in Canada. I find, particularly living in the Niagara Peninsula, that even the cities or towns or municipalities cannot compete, based on industry and labour, with the city of Toronto and Metropolitan Toronto.

Here in the city of Toronto you have subsidized the GO train. You have subsidized perhaps other methods of transportation; and yet other areas within the Province of Ontario do not receive the same treatment.

I presume that you are considering studies in the Niagara region, perhaps, on a rapid transit system?

**Hon. Mr. MacNaughton:** I would go further than that. I refer you back to the Throne Speech and the budget where the department was directed to pursue the matter of assistance to urban transportation, and that gets us outside of Toronto into any community where there are urban transportation facilities or the need for them. I am quite prepared to say you are going to hear more about the detail of what we have to propose on that very shortly.

**Mr. Haggerty:** Would the minister perhaps be thinking about suggestions to subsidize the bus transportation in local municipal—

**Hon. Mr. MacNaughton:** I think we are more or less bound up in other things. We have approached a state of readiness. I said hopefully today, but—

**Mr. Haggerty:** Is there anything in the legislation today?

**Hon. Mr. MacNaughton:** I said hopefully

today, but then I cannot be in the House and in here too, you know.

**Mr. Haggerty:** Yes, Mr. Chairman, may I continue?

Then perhaps if the minister is going to be giving consideration to local transportation systems, say such as the city of Niagara Falls' bus transportation and St. Catharines, what about other areas that do not have bus facilities?

**Hon. Mr. MacNaughton:** If a need for that level of service—

**Mr. Haggerty:** Yes, there is need.

**Hon. Mr. MacNaughton:** —could be established, then they will be as eligible as any community with an existing service.

**Mr. Haggerty:** That is for busing and that, right?

**Hon. Mr. MacNaughton:** For whatever form of transportation will best suit the community's needs.

**Mr. Haggerty:** Will this study perhaps continue into a rapid transportation system in the Niagara region? There has been some discussion, Mr. Minister, about what to do with the old portion of the Welland canal when this new bypass is opened, perhaps next year.

**Hon. Mr. MacNaughton:** That depends on whether they are going to leave the water in it, does it not?

**Mr. Haggerty:** Pardon?

**Hon. Mr. MacNaughton:** If they do not leave the water in it, it is just a big ditch.

**Mr. Haggerty:** This is right. It is a question of the St. Lawrence Seaway Authority apparently wanting to cast it off onto local municipalities to let them maintain it. This would be a rather costly item in the Niagara region, and I was just wondering perhaps—

**Hon. Mr. MacNaughton:** I think the member had better take that up with the seaway authority, if I may say so.

**Mr. Haggerty:** They are going to push it off onto the province or the local municipalities. This has been suggested already.

**Hon. Mr. MacNaughton:** But we will have something to say about that suggestion when it is made.

**Mr. Haggerty:** But there have been some comments from your department, I believe, or a suggestion that perhaps this could be used for a rapid transportation system. It has been discussed in the Niagara area.

Your deputy says no.

**Hon. Mr. MacNaughton:** Well if he says no, then I am prepared to suggest that the answer is no, that it has not. It certainly has not come to my attention.

**Mr. Haggerty:** Well then, would the minister give any consideration to making a study on it to see if it could not be used for a rapid transportation system?

At one time they had the old NS&T from Port Colborne to Welland, the Falls, St. Catharines and Port Dalhousie; and since St. Catharines is the hub of the Niagara region right now, with the university being located there and other large industrial developments, many persons employed in the area travel from Port Colborne and Welland to St. Catharines and at the present time the roads will not handle the traffic. I am sure the deputy minister will agree with me there.

We have often heard about the old Highway 58—I am trying to think of the regional road now, the name of it; Merritt Road. That is the one that has the dips and the dives; you think you are out on Lake Erie or Lake Ontario the way it has been built and constructed. It used to be in the form of a highway at one time and there is need for improvement in that region. Highway 406 will perhaps not be completed to Port Colborne, what, in ten years? Maybe longer than that!

**Hon. Mr. MacNaughton:** I do not know what the schedule is.

**Mr. Haggerty:** It is a long way off anyway.

We have the St. Lawrence Seaway coming in where they have taken some of the municipal roads and they are building, I believe it is Highway 140. I guess there is a cost-sharing agreement with the province. This will give some improvement on the east side of the canal, but there is always the bottleneck when one comes to moving equipment on the transports from Fort Erie to Windsor, with the heavy flow of traffic on Highway 3.

We always come into the bottleneck at Port Colborne on the proposed tunnel there.

I believe I have said it before that the "big white chief" of the Province of Ontario at one time said in 10 years we would have the tunnel in Port Colborne—I am speaking of Mr. Frost. They opened the tunnel 2 years

ago at Thorold. This tunnel at Port Colborne was supposed to have been completed to the next stage by now; I know it is in the planning stage right now, but how long does it take to plan these things?

**Hon. Mr. MacNaughton:** I cannot tell you, but I would remind the hon. member that in this venture we are partners with the seaway authority—

**Mr. Haggerty:** That is right.

**Hon. Mr. MacNaughton:** —and we can move about as fast as they move. We cannot move any faster, because they have the prime area in this. We are partners with them. We build the tunnel on a shared-cost basis; but until they are ready to build it, then of course we cannot build it.

**Mr. Haggerty:** I understand the study is pretty nearly completed now.

**Hon. Mr. MacNaughton:** I am glad to hear that. It will probably permit us to move faster.

**Mr. Haggerty:** I see the survey crews out in the area and I presume the report will be handed down this fall. I thought that perhaps with all the heavy equipment in the area there now at the townline and the east main, it would be a good time perhaps, if a little more speed was shown on it, to capitalize on that equipment being in the area.

**Hon. Mr. MacNaughton:** I will put it this way to the hon. member. We are prepared to move as fast as the principal authority, being the seaway authority, permits us to move, consistent with the availability of funds for that purpose.

**Mr. Haggerty:** The other matter that comes to my attention is the cost of transportation in the area and the tolls on the two overpasses at St. Catharines and at Hamilton. As I understand it, a study was completed back in 1957 by the former premier (Mr. Robarts) and the reason the tolls were applied at that time was that a great percentage of Americans were using the Queen Elizabeth Way. I travel that highway quite a bit back and forth to Toronto—

**Hon. Mr. MacNaughton:** That really was not the reason for it. I recognize that a great number of Americans use it, but there is also a great number of Canadians. The policy proposed by that select committee which was



adopted by the government, was that wherever we tolled an intraprovincial facility of that kind, there would be also a free facility alongside it, and there is. You can get across—

**Mr. Haggerty:** That is all right if you live around Hamilton or Burlington, and you are aware of these facilities.

**Hon. Mr. MacNaughton:** The people who use them are aware the older facility is still there and is free. If they want to wait for the bridge to go up and the bridge to come down, all right; they can travel for free. I remind the hon. member that tolls are only 15 cents and five cents for commuters. I do not know that that is a terribly serious burden.

**Mr. Haggerty:** When you get into fleets of trucks and moving equipment—

**Hon. Mr. MacNaughton:** That is right, but trucks are operating for a profit. These costs will be taken into account. I suggest that they do not even cover the cost of maintaining or painting the bridges. Surely it makes sense that they should recover some revenues for that purpose.

**Mr. Haggerty:** I thought reading your report here—and I raised this in a couple of years—that there is close to \$600,000 or \$700,000 in revenue that is over and above all the expenses and maintenance costs.

**Hon. Mr. MacNaughton:** If that is the case then they make a modest application to the capital cost.

**Mr. Haggerty:** But you do not apply this to any other area in the Province of Ontario. We seem to be, in the Niagara region, in a position that no other area is in. We pay tolls on the Welland Canal. We are penalized there and industry is penalized. We are penalized on the tolls of the Hamilton and St. Catharines bypasses. I think perhaps it is time this government removed those tolls on the highways and pursued the matter with the federal government to remove them on the Welland Canal.

**Hon. Mr. MacNaughton:** We have been instrumental in stopping any advances or increases in the tolls. We have taken a very strong position there on the seaway and I think that has had a desirable effect.

But again I cannot give the hon. member any encouragement that we are going to take these very nominal tolls off these bridges. They provide a facility to the travelling

public. It is the only source of revenue we have other than the gas tax revenue. We do not toll any of our freeways. We are one of the major jurisdictions on the continent that does not toll its major freeways. Highway 401 is not tolled. No road of that class is tolled in Ontario. But I suggest to you that if you go south of the border you will find they are tolled, and they are tolled very excessively. There are very high tolls on them.

**Mr. Haggerty:** Well I know this, but I mean—

**Hon. Mr. MacNaughton:** As a matter of fact, I might point out to you that in our neighbouring province, in Quebec, the auto-route there is tolled.

**Mr. J. E. Bullbrook (Sarnia):** Their "I" system is not tolled.

**Hon. Mr. MacNaughton:** I am sorry, I did not get—

**Mr. Bullbrook:** Their "I" system—interstate!

**Hon. Mr. MacNaughton:** No, their interstate system is not tolled, so they have these free facilities, but where you have an expressway, if you wish—

**Mr. Haggerty:** You just hit it right on the head a few minutes ago with what you said there, because Americans put tolls on their bridges or on their freeways over there. We are that close that we can bring the Americans over here—what is 10 or 15 cents to them? They are paying it over there, they will pay it here. But it is also the Ontario drivers who are using those roads.

**Hon. Mr. MacNaughton:** Those tolls are on international crossings. They are not state crossings. They are not state bridges as they are in Ontario. They are provincial bridges, the ones we are talking about.

**Mr. Haggerty:** No, I am talking about the throughways. You are talking about the international bridges, the one at Fort Erie—

**Hon. Mr. MacNaughton:** International bridges, of course.

**Mr. Haggerty:** We will get into that later on and we will show some discrepancies in the revenues there too.

**Hon. Mr. MacNaughton:** Fair enough. At this point in time I cannot say categorically that we are going to remove tolls from the

Burlington Skyway or the Garden City Skyway. I cannot say we will.

**Mr. Chairman:** Mr. Morrow.

**Hon. Mr. MacNaughton:** I would be more inclined to increase them a little bit.

**Mr. D. H. Morrow (Ottawa West):** Yes Mr. Chairman; just apropos of what the hon. member has been talking about; I have been talking to the chairman of the regional municipality of Ottawa-Carleton this morning on this very subject. They are very interested in establishing a regional transportation system for Ottawa-Carleton.

I believe they are now at the point where they have established a committee to look into the matter, with the mayor of the city of Ottawa to head that committee. From what I have listened to here, am I correct in assuming that should the joint municipal bodies of the city of Ottawa and regional Ottawa-Carleton decide upon a regionalized transportation system, they could expect financial help from this government in operating such a system?

At the present time the Ottawa TC operates in the red, and in order to get into a regionalized system they very definitely would need substantial help.

**Hon. Mr. MacNaughton:** I would say, Mr. Chairman, that I am being asked to comment on some matters that will be very specifically revealed to the Legislature when the bill is brought in. I hesitate to go much further on that in committee, with the concurrence of the committee.

**Mr. F. Young (Yorkview):** We waited a long time.

**Hon. Mr. MacNaughton:** It has taken a long time to develop that legislation, I would say to the hon. member for Yorkview. It is not the type of—

**Mr. Young:** The minister said Thursday—

**Hon. Mr. MacNaughton:** I said hopefully Thursday. But I discovered that I could not be there and here at the same time.

**Mr. Morrow:** I appreciate that. I just wanted to interject that.

**Mr. Chairman:** Mr. Burr.

**Hon. Mr. MacNaughton:** I am here by command performance anyway.

**Mr. F. A. Burr (Sandwich-Riverside):** Mr. Chairman, I would like to—

**Mr. Bullbrook:** Excuse me, Mr. Chairman, are we going to get back to—

**Mr. Chairman:** We are.

**Hon. Mr. MacNaughton:** No, we have completed that—

**Mr. Chairman:** Vote 2303 you are speaking of? We will come back to that.

**Mr. Burr:** I would like to ask about research services, is that in order?

**Mr. Chairman:** Yes, under this vote.

**Mr. Burr:** In order to give just a very brief background. In the Windsor area, provincially there are three ridings: Windsor-Walkerville, Windsor West and Sandwich-Riverside. This area is roughly a square. On the north side you have the Detroit River and it bends around and it forms the west side. The area begins at Tecumseh on the north side, it goes down to the village of Maidstone in the southeast corner and across to River Canard in the southwest corner. In that area we have approximately 216,000 people. Ten years ago we had 192,000, approximately.

The city of Windsor, of course, stretches along the north area. It runs from Tecumseh right to the bend in the river, approximately.

In that area we have now the E. C. Row Expressway plotted, and it divides the population area roughly into 150,000 on the north side and below it, to the south, there would be 42,000—these are 1961 figures. I am not sure if I mentioned the population has increased about 24,000 in the last 10 years, so that is the number of people we are talking about.

In 1962 a study was made by Essex county council in conjunction with The Department of Highways—is this right?

**Hon. Mr. MacNaughton:** It really does not matter to me.

**Mr. Burr:** No, I want to talk about the research of it.

**Hon. Mr. MacNaughton:** We are not under the Highways section yet. We have not left the Transport section.

**Mr. Burr:** This is transportation—about moving people.

**Hon. Mr. MacNaughton:** Mr. Chairman, it is all right with me, but it will come up more precisely in another vote.

**Mr. Chairman:** Are you prepared to set it over today in the vote in Highways?

**Hon. Mr. MacNaughton:** You set the rules. I do not mind.

**Mr. Burr:** I am halfway through.

**Mr. Chairman:** He is halfway through now.

**Mr. Burr:** In 1962 we had this study, which I was assuming comes under research. The study recommended that the E. C. Row, which is a two-lane highway, and its continuation on the other side of the railway tracks, the Third Concession, should be united by an overpass and made into a four-lane highway. That was the recommendation of the research people at that time.

In 1967 we had another study made, a very elaborate study, which recommended an expressway.

Now, in 1971, it is announced that we are going to have another transportation study made for Windsor; it is going to cost \$400,000 and it is going to take two years. And, of course, eventually the province is going to pay 75 per cent of this \$400,000; we are going to pay \$300,000.

**Hon. Mr. MacNaughton:** Quite correct!

**Mr. Burr:** Now the budget for research services is \$420,000 for the next year, so obviously the money is not coming out of that area, is it?

**Hon. Mr. MacNaughton:** No, we are talking about planning now, not research actually. It should be talked about under the planning vote.

**Mr. Burr:** Yes, I see.

**Hon. Mr. MacNaughton:** That is the point. You say the figures do not marry. That is why.

**Mr. Burr:** I can see that was the case. But my point is, Mr. Chairman, with the technical people that the city of Windsor employs and the technical people that The Department of Highways employs, why is it necessary to hire a consulting firm to carry on a two-year study at a cost of \$400,000? This just puzzles me.

**Mr. Chairman:** I think, Mr. Burr, inasmuch as it comes under The Department of Highways, and planning under that department, probably the minister will have his advisers with him and it can more properly be answered at that particular time.

**Mr. Burr:** Will you take notice of this then and answer it at the proper time?

**Hon. Mr. MacNaughton:** If it is all right with you, Mr. Chairman, we will deal with it now, then of course we will not have to deal with it again.

I think first of all I should say to the hon. member that Windsor was a very real partner with us in this situation. I would have to assure you and the committee that this type of study will continue because things are progressing very rapidly. I would have to tell you that when the study process resulting in the E. C. Row Expressway was undertaken attitudes—present-day attitudes and the approach of new transportation modes, including transit, which is separate if you like, from this—were really not as prominent as they are today.

We are studying in this fashion in Windsor; we are doing it in London; we are doing it in many urban communities across the province. This is a type of study related to the integration of roads and transit and a whole host of related matters.

I think that is what this is all about today. That is exactly what it is all about. It occurs to me that this type of study will continue in partnership with the municipalities because they cannot rely on one form of transportation any longer. They are going to have to integrate various forms of transportation facilities, transit with the rest.

As a matter of fact we are reminded every day about the environmental aspects of the transportation facilities we provide, and the ecology becomes a very major part of the study. How do we do these things at this level and protect the environment? I think I have reason to believe that is a very topical matter right now, and an important topical matter. Things are moving so fast I cannot suggest that the study done X years ago will do the trick any more. We are going to have to do this as we go along, and the municipalities realize it and become willing partners with us in these studies, to the extent that they share the cost.

We do not impose these studies on municipalities. I would say we encourage them because I think it is appropriate to do it, but we do not impose them. The municipalities that I am aware of where this is taking place are very willing partners in it. In all circumstances that I am aware of, as the deputy minister reminds me, the municipalities which initiate the studies.



**Mr. B. Newman** (Windsor-Walkerville): They turned one down last year, Mr. Minister. Council turned down a \$75,000 study last year, and they finally reconsidered and thought that maybe they had made a mistake. Now they are going in to the tune of \$400,000.

**Hon. Mr. MacNaughton:** I think they are wise to do that.

**Mr. B. Newman:** Yes, right.

**Hon. Mr. MacNaughton:** I think they are very wise to do that.

**Mr. B. Newman:** If they are going to spend \$70 million to \$100 million on E. C. Row, they might as well have an overall study and know fairly well what they have done—

**Hon. Mr. MacNaughton:** How it can co-ordinate with, say, rail transportation.

**Mr. B. Newman:** Exactly, because the rail lines are extremely important as far as transportation is concerned back home. You have the CN along the waterfront which could be used very well, and the CP on the inside that could be used.

**Hon. Mr. MacNaughton:** True. That is basically what this type of study is all about.

**Mr. Burr:** My point is that it seems a technical committee of the department, and of the city should be able to do this without this terrific expense.

**Hon. Mr. MacNaughton:** I would inform the hon. members that we cannot spread ourselves that thin. There is no way we can keep a sufficient staff around to take care of every situation like this that is thrust upon us. We would have to expand our planning staff, our design staff, our research staff, if we were going to cover the waterfront, if I may put it that way, to do the job properly all at once. We find it much more economical to employ consultants for these situations rather than to have a sufficient staff around to do it.

**Mr. Young:** Mr. Chairman, one question with respect to research services. I take it that the research services of the two departments will be brought into one unit?

**Hon. Mr. MacNaughton:** Very much so.

**Mr. Young:** I wonder how far the research services have gone up to this present time in looking into various aspects.

To use one example, in this morning's release from the Ontario Safety League, we get an item which says: "Here is an economy reminder, a fouled-up air cleaner can reduce your car's mileage by as much as 10 per cent."

Now, as you perhaps know, there has been quite a lot of argument, back and forth, about the efficiency of the present-day air cleaners, the paper cleaners that we now have have to be replaced. We do not know how often but they do get fouled up pretty fast and are not as efficient, many people say, as the old type oil bath cleaners.

**Hon. Mr. MacNaughton:** You mean the filters.

**Mr. Young:** The filter, yes, the air filter, bringing the air into the carburetor. The ring, the paper ring, has to be changed quite often. As I say we are not sure how often because experts do not seem to know. It depends in large measure, too, on the mileage you drive and the cleanliness of the air and the amount of dust; but there is a lot of thinking that the oil bath filters that we used to have in our motor cars, and which again are coming to the fore in the public thinking, are much more efficient. The results of tests—whether they are impartial tests or not I cannot verify—seem to indicate that while the present ring filter made of paper shows that as the car travels, gradually over several thousand miles, the content of the exhaust increases as far as pollution is concerned, and increases dramatically, with the oil bath filter it is constant up until the filter finally gets so dirty it has to be changed.

So that in the sheer matter of air pollution and air cleanliness we should be looking seriously at whether or not the present air filters—which are pretty lucrative for the manufacturing companies—are as efficient as the oil bath filter was and perhaps still is. Is that kind of research being undertaken by the department, or will it be undertaken?

**Hon. Mr. MacNaughton:** I think I am safe in assuming that every type of research that will make any type of improvement as far as emissions are concerned is being very vigorously pursued.

I have not got the right man from transport here today, at least I do not see him. Oh, I see him down there.

Can you speak about that?

**Mr. A. T. C. McNab** (Deputy Minister): I can, yes. On this whole aspect of mechanical

research, insofar as today's conditions are concerned, and particularly as far as they affect air pollution, we have been into it to a small extent.

This is one of the things we hope to attain, and you will see on our organization chart of the combined establishment, much greater emphasis on these mechanical devices and the efficiency of motor cars, particularly as it affects pollution. I have had meetings in this regard with Mr. Thatcher in The Department of Energy and Resources Management—I guess it is environment now. But in short, we have been into it to a very small extent. We intend to intensify this and recruit people to get into this field much more than we have in the past.

**Mr. Young:** I will hand over to the deputy minister a chart—I cannot verify it—which shows a Volkswagen being tested in this way. The one with the present paper ring filter shows the line going dramatically down as the thousands of miles pile up. Again, the same Volkswagen, with the oil bath filter, a straight line across the chart indicates the purity of the air is maintained. Perhaps I will give the deputy some information on the sort of thing I have here, hand it over to him, and perhaps we can have some information about this kind of research in the days ahead, because I think this is pretty vital, not only to this department but also to The Department of Energy and Resources Management.

**Mr. McNab:** As far as pollution is concerned, we found in our research in the old Department of Highways the equipment branch, that there is a direct tie between the efficiency of the motor—the tune-up of the motor, the fine tuning. By analysing the exhaust you can establish this. To this end we have acquired and have in operation in every one of our garages this type of equipment. All our motor vehicle fleet is subjected to these tests, and the results are most gratifying.

**Mr. Chairman:** Vote 2305 carried?

**Mr. B. Newman:** Mr. Chairman, I wanted to ask the minister: In the various transportation studies and on research that is being done, who eventually approves the study? If a municipality wants to undertake the study, is it approved by your department?

**Hon. Mr. MacNaughton:** Yes, it has to be approved by the department to be eligible for the 75 per cent of cost grant from the department.

**Mr. B. Newman:** Does that come under this department or would it now come under Highways?

**Hon. Mr. MacNaughton:** It comes under Highways.

**Mr. B. Newman:** I would prefer to ask some questions under Highways then directly on this, because I want to bring in the Doxiadis report and get some comments from the minister.

**Mr. P. J. Yakabuski (Renfrew South):** Mr. Chairman, would it be under Highways that we would discuss a matter such as a stretch of highway that has experienced a rash of accidents?

**Mr. Chairman:** I would say yes, Mr. Yakabuski.

**Mr. Yakabuski:** Under what vote?

**Mr. Chairman:** Vote 803, item 5.

**Mr. Morrow:** I am going to raise the same question.

**Mr. Chairman:** Mr. Deacon, you have a question?

**Mr. D. M. Deacon (York Centre):** I want to ask the minister, is there any duplication between the studies that are done here, the economic analysis, the research, the engineering, and that of The Department of Highways—is it all one department, one operation here now?

**Hon. Mr. MacNaughton:** It is all one department now since the bill passed.

**Mr. Deacon:** Yes, and when this budget was set up, was it with this in mind that The Department of Transport budget would contain all the research and planning of the other?

**Hon. Mr. MacNaughton:** No, we have had research in both departments. A very extensive research branch in the department was headed by an executive director—possibly largely orientated to highway research. We have also had similar research in The Department of Transport, in the other relationship. But this will all be merged now under the one.

**Mr. Deacon:** On the economic side of it, in the economic analysis, what does that involve, the economic analysis that is shown under this vote?

**Hon. Mr. MacNaughton:** In this vote?

**Mr. Deacon:** Yes.

**Hon. Mr. MacNaughton:** Well I guess I am correct in saying that would involve the functions of Mr. Foley, who is with us here this afternoon. Mr. Foley is going to broaden his responsibilities too, in the new department. He will expand his studies to encompass the functions of both departments.

**Mr. Deacon:** Is this an economic analysis to determine the impact of change of transportation facilities on any given area?

**Hon. Mr. MacNaughton:** That will become part of it, yes. Would you like Mr. Foley to explain in greater detail what this involves?

**Mr. K. W. Foley** (Director, Economic Analysis Branch): I think perhaps one of the ways I could indicate what we were doing in that branch would be to give you an example of one of the studies we have under way which ties in with the St. Lawrence Seaway, the port structure on the Great Lakes and so on.

We are examining what effect the various rates of toll charges, port efficiency, port structures and so on, have on the surrounding communities and their industrial capacity, their development potential and so on.

You can transmit that into a number of other modes in the whole transportation structure—the air system, the railway system, and so on. For example, the potential effect of freight rate changes on industrial performance and industrial output. That is an example of one of the areas where we are looking.

**Mr. Deacon:** Would you have analysed the movement, for example, of freight between points in Ontario and points in Manitoba—or points in Quebec—as to what effect changes in transportation methods or routes have on it?

**Mr. Foley:** Well, an example there would be the pulp and paper industry, the various changes in freight rates and what they do to the market potential of companies in north-western and northeastern Ontario, and so on. Yes, we have done some work on that.

**Mr. Deacon:** What about the impact of new highway routes and that sort of thing?

**Mr. Foley:** Well this is one of the enlarged areas that we are into with the

amalgamation of the two departments. We were not unconcerned with highways, but not as deeply concerned as with other matters.

**Mr. Deacon:** Well why I bring this up—

**Hon. Mr. MacNaughton:** Mr. Deacon, if I may, surely it is starting to indicate to the committee the advantages of the integration of the two departments.

**Mr. Deacon:** I would never dispute that. I am glad to have it happen. But I want to bring out a point as an example here, Mr. Chairman. At the present time three out of every four vehicles carrying freight, I understand, between Toronto and Winnipeg go through the United States. And the reason they go through the United States is not because the distance is shorter—because the distance via the Canadian route is shorter—but because the driving time is two and a half to three and a half hours less, due to the type of highways we have and those available on the routes they follow south of the border.

One of the points I would be interested in having the department study is what the impact would be of a change in route—for example, in taking a highway along the CN north of Lake Nipigon—instead of having the highway dip down into Thunder Bay—what impact this would have on the movement of freight between Toronto and Winnipeg.

The freight forwarders have told me it would cut about two and a half hours off the running time and about 150 miles. It is terrain which is cheap to build across.

The pulp and paper companies tell me they build their very heavy service roads for the movement of logs at \$13,000 to \$15,000 a mile. I think we spent \$75,000 a mile on the road between Nakina and Geraldton, but they built a road between Nakina and Long Lac at a cost of \$13,000 a mile.

If we did utilize that northern route and cut off 150 miles or so between Winnipeg and Toronto, and also two and a half to three hours of travel time—and moved that traffic now going through the United States into Canada—we would do a great deal to improve the economic situation in northern Ontario along that route.

It might open up and make accessible to development or opportunities, communities on either side of the route; and this would improve the situation.



Does our economic analysis and our research take into account that type of situation, because I would think that is a vital area for us to really develop?

**Mr. McNab:** I think, Mr. Deacon—being facetious—you have been reading our mail, because at the present time Mr. Foley, who heads up our economic division, and Mr. Bidell, are planning and combining in the very type of study in the very area you have suggested.

**Mr. Deacon:** Well that is interesting. I am pleased to hear you are working on that, because one of the factors that has come out in my travels—actually I have not been reading your mail, I have been doing a lot of travelling—but one of the points that has come out and what local citizens have pointed out to me, is the impact this would have.

Also, to have any sort of economic, any sort of decent transportation system, they require far more miles of road per capita than we do down in the central area.

So when we say we are spending more per capita in an area such as northwestern Ontario or northern Ontario, it does not mean we are really doing what we should be doing to give them the same quality of transportation service they need in order to have an attractive and worthwhile quality of life up there.

**Hon. Mr. MacNaughton:** Well these routes were set up in the earliest days of the Trans-Canada route studies. There are really two, or parts of three, systems involving the Trans-Canada. Fundamentally it is Highway 17 I suppose, and then Highway 11 is another alternate Trans-Canada route. They served their purpose at the time—but that is why we are conducting this study.

**Mr. Deacon:** Well, of course, Mr. Chairman, the minister will understand that Highway 17 between Thunder Bay and the Soo is far too hilly for heavy traffic to use, the hills are just too tough. But they do use Highway 11. In travelling Highway 11 between Hearst and Sioux Lookout there is a long dip down into Thunder Bay. Although we would move that traffic away from Thunder Bay, the people there say that because they service areas such as Armstrong, Nakina and points like that, which would be on a northern route, they would also benefit indirectly through the development.

**Hon. Mr. MacNaughton:** That is quite right.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Yes; what research have you been doing on noise pollution? I know you—

**Hon. Mr. MacNaughton:** We are doing some experimental work now. We are trying some experimental work, and if it proves to be satisfactory we would extend it. But we really do not know the extent to which it will abate noise pollution.

I think we awarded a contract for this experimental work within the last few days. It is under construction, I guess.

**Mr. Haggerty:** What about—

**Hon. Mr. MacNaughton:** It is on Highway 401.

**Mr. Haggerty:** What about the—

**Hon. Mr. MacNaughton:** In the west end.

**Mr. Haggerty:** What about the research done on the types of mufflers, say, on large trucks? Are you doing anything on that?

**Hon. Mr. MacNaughton:** Yes. Go ahead.

**Mr. McNab:** Well this something where a great deal of research is being done. We realize that to get any final solution to the problem we must get to the source of the noise, in other words the vehicle, and—

**Mr. Haggerty:** The truck itself. Yes, that is right.

**Mr. McNab:** And there have been certain minimum standards set to the manufacturers, the type of muffler and the degree to which they muffle. We find there is a further problem because the efficiency of these depends to a great deal on the maintenance of the mufflers, the tuning, and condition of the motors and other mechanical aspects of the vehicles.

Up until fairly recently, we had been hampered by the difficulty in getting some method of measuring the volume of noise to get convictions. Now there has been equipment developed—

**Mr. Haggerty:** That is right, sure.

**Mr. McNab:** —that is quite mobile and easy to handle. This will mean, when we can get a handle to this thing, possibly in the future, a change in legislation. The legislation now states unnecessary noise; well it is most difficult for any law officer or magistrate to judge what is—

**Mr. Haggerty:** Well they can always pick up some youngster on a motorcycle; but boy when you compare the noise of a motorcycle to one of these trucks—I mean where do you draw the line?

**Mr. McNab:** Noise is right!

Well I mean—this is a long way of telling you that this type of research is being entered into by our research branch.

**Mr. Haggerty:** But you are moving in that direction, to control it.

**Mr. McNab:** Yes, absolutely.

**Mr. Chairman:** Is vote 2305 carried?

Vote 2305 agreed to.

**Mr. Chairman:** On Tuesday, June 22, I believe, it was agreed by the committee that we move forward in the votes and return to 2303 for specific answers to be given on a subject by the chairman of the Ontario Highway Transport Board. I would like to call on Mr. Shoniker.

On vote 2303:

**Mr. E. J. Shoniker** (Chairman, Ontario Highway Transport Board): Well, Mr. Chairman, and hon. minister, and the hon. member for Sarnia, I now have the information I think he would like me to make available to him if he would direct the question.

**Mr. Bullbrook:** I will not reiterate unduly, Mr. Chairman, but I do want to put the reinitiation of this into perspective.

Basically we had put forward for the minister's consideration questions as to policy decisions to be made concurrent with the overall policy changes initiated by the Premier of the province (Mr. Davis) and the impact upon municipal enfranchisement of public transportation.

We were primarily concerned also—and I think this is the direct aspect of the question now to be directed to the chairman of the board—in connection with the development of somewhat monopolistic tendencies in the school transportation field.

We were thirdly interested in the source of capital, concurrent with the present policy of government in connection with the book publishing industry and the analogy we attempted to make there.

So the first question would be as follows: It would appear that Charterways London Limited is a corporate vehicle which has been used to acquire many other companies.

I understand when one makes an application to the Ontario Highway Transport Board under the normal public commercial vehicle system for inclusion therein and the issuance of a licence, one of the obligations of the board is to look into the financial aspect of the applicant, the background, and to assure public stability. I am wondering if the same obtains in connection with the automatic enfranchisement and licensing concurrent with secondary school transportation?

**Mr. Shoniker:** Yes Mr. Chairman, hon. minister and hon. members, we require a financial statement from each applicant.

**Mr. Bullbrook:** From each applicant!

**Mr. Shoniker:** From each applicant!

**Mr. Bullbrook:** I take it the financial statement would not set forth—does it set forth detail? Let us, for example, say that at one time obviously one of the corporate vehicles of Mr. Skinner acquired Exeter Coach Lines Limited, I believe it was approximately two years ago, would you have a file on that? Was it necessary for the board to approve the transfer, or the acquisition of Charterways or any other company, of Exeter Coach Lines Limited?

**Mr. Shoniker:** Yes sir, the board did approve of the transfer in 1969.

**Mr. Bullbrook:** In 1969. And could you give us some internal details in connection with the acquisition?

What was the cost price? What was the equity participation by Mr. Skinner or his company? What mortgage financing was arranged by way of chattel mortgage or otherwise for the vendor—or do you go into these details?

**Mr. Shoniker:** We did approve of the shares, and that was about as far as we went, sir. We were satisfied that the Exeter Coach Lines Limited were in financial position and statutory declaration as to their liabilities, and we were satisfied that the purchaser could pay the price mentioned in the agreement.

**Mr. Bullbrook:** Then let me say this, Mr. Chairman: We in this party absolutely take issue with that as the responsibility of the Highway Transport Board—and there is nothing offensive contained therein toward the chairman of the board. He is subject only to policy direction. I want this specifically understood.

I think there was a bit of—not friction the other evening, but I did interject at one stage you will recall, Mr. Chairman, where you were talking about rumours in connection with involvement in Charterways. We have found, frankly, that one is deflected from one's purpose as far as total policy is concerned to get into picayune details based on rumour, and we will just not do this because we feel that there is extreme significance in it.

So we say this to you: we say that the Highway Transport Board, Mr. Minister, has a greater function. It is not sufficient for Mr. Skinner or any other applicant to provide a financial statement, because the fact of the matter is, a financial statement, and especially a statutory declaration by the vendor in connection with his financial position—does absolutely no good.

For the sake of exaggeration—and purely for the sake of example and without benefit, of course, of the very information that we want—you will recognize, of course, that Charterways could have acquired—and I am not saying that they did—but they could have acquired Exeter Coach Lines Limited for one dollar down and the rest of their corporate life to pay. This is the point that I make.

The thing that we concern ourselves with is basically twofold—and I think perhaps my colleague from York Centre is going to join with me in this connection because he has done a great deal of research and himself initiated several years ago the question of concern. There can be in effect pyramid financing in this field to a high degree, and I do not think the public good is served, Mr. Minister, in not going into absolute detail before approvals are made of this nature.

I want secondly to know where is the capital financing coming from in connection with equipment acquisition? Who is doing the financing?

We do not know. I believe a significant portion of the financing is done through normal acceptance procedures, but are they American involved?

You told us the other day, Mr. Chairman, for example, that 40,000 preferential shares of Charterways were owned by one Ninian T. Sanderson. What is the rest of the corporate structure of Charterways itself? Have you got that information for us?

Mr. Shoniker: First of all, if I may, sir, I have a copy of the agreement here between Exeter and Skinner and one known as Earl R. Guenther where the conditions are all set out.

I have every reason to believe that they have been complied with.

Mr. Bullbrook: That is the point. Maybe I am not making myself clear.

Mr. Shoniker: I am sorry, sir, I misunderstood you.

Mr. Bullbrook: No, that is fine, Mr. Chairman. You certainly do not have to apologize to me. Maybe I am not making myself clear. Maybe you are performing, therefore, the function that I want you to perform.

When Charterways acquires, for example, Davies Motors Limited, Sarlon and—

Interjection by an hon. member.

Mr. Bullbrook: No, no; the other one in Sarnia: Sarnia Transit.

Mr. Shoniker: Sarnia Transit.

Mr. Bullbrook: In effect, as you recognize, what they now have is 30 per cent of the total \$1 million spent in the secondary school transportation field. They have, by private bill, acquired the remaining eight years in the municipal franchise transportation field and they have got the franchise between London and Sarnia.

In other words, one gentleman has acquired really almost a stranglehold on public transportation in the area I represent. I am not saying of itself that this is wrong. I say that this type of thing does—at least this has been the attitude of governments in the past—lead to two things eventually: poorer service and higher prices, which I am sure the board does not want to see happen.

In connection with, for example, the acquisition of Exeter Coach Lines, does that agreement tell you how much Skinner paid for it?

Mr. Shoniker: Oh yes, sir. I am sorry I misunderstood you before. The board certainly has a copy of every agreement filed with it. They are on its files, which are available to the public any time you would like to see it, and I have a copy here.

Mr. Bullbrook: Since it is available to the public let us just use it as an example.

Mr. Shoniker: I would be glad to.

Mr. Bullbrook: All right. What was the purchase price of Exeter?

Mr. Shoniker: First of all, the purchaser agrees to acquire the aforementioned shares for the sum of \$150,000.



**Mr. Bullbrook:** And the aforementioned shares are—?

**Mr. Shoniker:** I am sorry—were held by Earl R. Guenther.

**Mr. Bullbrook:** And were they all the shares? All the common and—

**Mr. Shoniker:** Yes, all common and all preferred shares.

**Mr. Bullbrook:** All right; fine; for \$150,000.

**Mr. Shoniker:** Yes sir.

**Mr. Bullbrook:** And how—

**Hon. Mr. MacNaughton:** You should qualify that!

**Mr. Shoniker:** I am sorry. There were three qualifying shares.

**Mr. Bullbrook:** We do not have to bother with them.

**Mr. Shoniker:** Right. And the following terms—would you like me to tell you—

**Mr. Bullbrook:** I would, as a matter of interest.

**Mr. Shoniker:** The terms were:

Deposit paid on signing agreement of purchase and sale dated August 19, 1968, \$5,000. On obtaining the approvals of the Ontario Highway Transport Board and the Canadian Transport Commission to transfer the shares, \$120,000. Balance to be secured by way of a first mortgage charged on the lands of Exeter Coach Lines Limited being all of lots 927, 928 and 929 and parts of lots 823, 824 and 825, all according to the registered plan 20 in the said town of Exeter, bearing interest at the rate of eight per cent per annum, calculated semi-annually in advance, repayable in monthly installments of \$100 each commencing one month after obtaining the aforementioned approvals.

It is understood and agreed that the interest on the said mortgage paid will be paid semi-annually.

**Mr. Bullbrook:** So basically it would appear on the face of it that he acquired shares of the company, Exeter Coach Lines Limited—

**Mr. Shoniker:** That is right.

**Mr. Bullbrook:** Pardon me, sir?

**Mr. Shoniker:** That is right.

**Mr. Bullbrook:** He acquired them for \$150,000, of which he apparently had equity participation of \$125,000 and Guenther took back a mortgage on the corporation's real property assets for \$25,000.

Where did the \$130,000 come from? Do you look into that?

**Mr. Shoniker:** No, sir.

**Mr. Bullbrook:** You do not. Because technically he could do—as you know, he could mortgage out the total equity position of Exeter Coach Lines Limited and buy it with borrowed money and have absolutely no equity position there at all.

So agreements of that nature are not sufficient, in our opinion, for the board to rely on. I think there should be a disclosure position, Mr. Minister, in this connection. I think there should be shown—I should say, Mr. Chairman, Mr. Chairman of the committee—that there should be an obligation upon us to see where the financing is done because in point of fact I would suggest to you that probably the \$130,000 was not equity participation.

**Hon. Mr. MacNaughton:** Well I have to discuss that with the member for Sarnia. I think you can acquire equity by any form of obligation, be it cash secured by mortgage, secured by loan or whatever it is, that permits you to have the equity; but you have a liability to the person that loaned it to you.

**Mr. Bullbrook:** It is the liability that concerns us, sir; that is the thing, it is the liability. You see this gentleman, for example, has according to the information given to us built up a fleet at the present time of well over 700 buses. Now we would like to know how much equity participation he has in the acquisition of those 700 buses, and we really do not know.

I think this really is the function of the board and I invite your consideration.

**Hon. Mr. MacNaughton:** This is an instance where he has total equity, subject to the mortgage.

**Mr. Bullbrook:** But he does not, not at all!

You and I are talking about two different things. There is nothing in that agreement, Mr. Minister, that shows that Charterways' participation was to the tune of \$130,000 of their money. That is the point.

You understand he is acquiring physical assets here. He could have, technically—and I am not saying that he did this—he could have

technically mortgaged, to the tune for example of \$120,000 with Traders' or someone of that nature, and in effect the \$25,000 vendor's mortgage is in the form of secondary financing on the real property.

The point being that you can acquire this type of what is known commonly as pyramid financing. That of course is very common in the development field and was very common 15 years ago during the hey-day of residential home building, where of course builders were building lots of 20 homes and in effect building them out of money they anticipated coming from revenues on other houses.

I think this can eventually lead to a bad situation, because unless we are fully aware of the total equity position of the company acquiring other companies, then I do not think the public good is served. In point of fact—and I do not analogize unduly—this is how Atlantic Acceptance difficulties came about. And I really think in the public transportation field we do have concurrently an obligation to go further than just the agreement itself.

I really think the board is entitled to say on a hearing, "We want to know what participation you are making, Mr. Skinner, or your corporate vehicles are making." I would think, for example, there could easily be a degree of bridge financing under this. When you establish a rather significant borrowing position with a chartered bank, for example, you can acquire these assets through temporary bridge financing, and if you do have—

**Hon. Mr. MacNaughton:** It is a common practice.

**Mr. Bullbrook:** It is a common practice, right. So I think the point being this: We use Mr. Skinner's operation and our inquiries concurrent therewith, Mr. Chairman of the board and Mr. Minister, primarily to invite you to consider in things of this nature that you go beyond the agreement itself. Because I am given to understand, for example, in connection with the Davies and Sarnia Transit example, that the equity participation by Charterways was not as significant as might seem.

I do not think anything is to be served frankly, unless my colleague from York Centre wants to go into specific detail, because the fact of the matter is, let us face it Mr. Chairman, what we can do is begin to litigate or catalogue every particular one.

I can sit down and say all right, Sarlon was acquired; Exeter Coach Lines, Davies, Niagara, Algoma, the North Bay situation, the

Mississauga—and you have files on all of these—

**Mr. Shoniker:** I have, sir.

**Mr. Bullbrook:** But I would think the files on all of these would be the same; they would be evidentiary of the point we make; the files would have before them an agreement between Charterways and the vending company setting out what the total consideration was and setting out certain details as to financing, but not the internal details of the financing. So that is the first point.

**Hon. Mr. MacNaughton:** If I might comment here, Mr. Chairman. If this is a sample agreement here, I for the life of me can find nothing wrong with it in straightforward terms. Obviously the vendor has been satisfied with the form of consideration that he received. The purchaser was in a position to provide a satisfactory consideration. Now are you suggesting that we should take a look at how he obtained the money and where the—

**Mr. Bullbrook:** Absolutely.

**Hon. Mr. MacNaughton:** You are?

**Mr. Bullbrook:** And without reservation! Let the record show that is it exactly. I believe without reservation in the sanctity of the proposition that the Minister of Transportation and Communications, in his private capacity, has every right to say to Jim Bullbrook, "I think I will sell you my house." Do you follow me? And that is a transaction—subject of course to the local zoning matters and things of that nature—between the minister and myself.

But when we get into this field it is not the same. The analogy falls down here. You are licensing; this is not a right to buy a company. Do you follow me? You are buying something where Her Majesty, through her ministers and a board, has exercised and given a privilege. And concurrent with this therefore there is a responsibility, not just between the vendor and purchaser, but to that great body called the public, to assure that the public service that is being transferred will be carried out appropriately. I think that is basically it, sir. I think we do not have a meeting of the minds in this connection, but I must say I am inclined to think that perhaps the minister sees some propriety in the points that I am making.

**Hon. Mr. MacNaughton:** I did at a certain point in time, but I am not quite as convinced

after I read this type of contract and agreement as I was before.

**Mr. Bullbrook:** But under the contract—

**Hon. Mr. MacNaughton:** Consideration for the sale and the purchase is clearly set out. As I say, the vendor received his consideration in a form that was satisfactory to him. The board was convinced on the basis of it that Skinner could provide the service that was required; and I begin to wonder how far you run out the string on this thing.

**Mr. Bullbrook:** Well I will tell you; let me tell you how far you run out the string.

**Hon. Mr. MacNaughton:** Well you may suggest it to me, but you know I may not agree.

**Mr. Bullbrook:** Let me tell you why I think you should.

**Hon. Mr. MacNaughton:** All right.

**Mr. Bullbrook:** You run out the string the same way the Canadian Radio-Television Commission does. They do not just look at the agreement; they insist, you see, that before franchises in that field, in public broadcasting, are transferred you just do not go with them and say, "Here is an agreement." Because the fact that the vendor and the purchaser execute an agreement speaks for itself—the two parties to the agreement are content with it.

But the fact is, as you know, sir, I can arrange for the acquisition of a radio station tomorrow for \$2 million, we will say, and I can show the agreement and it will show that I might pay Rogers Broadcasting Company \$2 million, right? Rogers gets cash for that and I might be financing the \$2 million for example, with CBS—right?

Again, exaggeration for the purpose of example, I might be financing with CBS. CRTC will not let me do that! You see you have to look behind the agreement, and I say the same thing obtains here.

Again, I am not trying to get into economic nationalism too much, but it is a peripheral matter that we must concern ourselves with. I say to you the agreement is not sufficient; we have got to go behind that; we have got to be able to say in effect to Charterways, or McLeod Motors, or anybody else: "How are you doing your financing?"

But again, if I might—and I am almost finished here, Mr. Chairman—the basic point here, of course, was the public interest and

the public protection and we have made that point amply.

The other consideration that has to come of course is that I do not think, and I say it most respectfully, the board can again rely on the concept that you have a willing purchaser and a willing vendor.

**Hon. Mr. MacNaughton:** No, no. That is not the total consideration. The main consideration is that the operator can perform the service for which he is being licensed.

**Mr. Bullbrook:** Right; yes. I was not going to continue to belabour the economic aspects of it—

**Hon. Mr. MacNaughton:** Well that is not the economic aspect I just referred to either. As I say, the main consideration is the extent to which the operator who is being granted the licence can perform the service that is required.

**Mr. Bullbrook:** Right, and I say concurrent with that you must therefore ascertain the total economic impact. You have to look into where the money is coming from, especially when in point of fact you see one operator expanding in the public transportation field so much.

Because, you see, I would suggest that it follows as a matter of logic that if a person, an original operator such as Skinner, acquires his first company, then his only obligation to the public is in two fields, the first company he owned and the second one. But after you get him involved in the acquisition of 18, 20, 21 companies—spread throughout the Province of Ontario; with each acquisition there is a greater burden, I suggest, on the Highway Transport Board. Because they must be saying to themselves: "All right, he obviously is a good operator. But if something ever happens to him the impact is not just in two companies but rather in 21 companies."

I want to, if I might, point out to you, as we did the other day that in the exercise of approval I think we have to concern ourselves with the fact of the background.

I used the phrase the other day if you recall—in a prepared statement that we had written into the record—the question of how these companies are acquired; and we say they are acquired either, as you recall, on the basis of the free market or on the basis perhaps of an ability, an undue ability, on the part of the purchaser to acquire the assets of the vendor because the purchaser is so large.



I think no purpose would be served in reiterating that again.

Now, therefore, in closing, I wish to say this: We are vitally concerned not so much with Mr. Skinner, we are vitally concerned with the question of: one, the total transportation policy of this government and its direction therefore to the board in connection with; one, the propriety of out-of-town ownership—if I can use that rather trite phrase—because I do feel and I am inclined to agree with the very personal attitude expressed by the chairman, that really in the school transportation field I think the public is better served by local operators. I feel that greatly.

The second point, of course, is we are very concerned with the integration proposed, with how the government is going to carry out its new transportation policy through increased subsidization of municipal transport having regard to the fact that so much municipal transport is privately owned.

We record again that it entirely begs the question to say that local taxpayers will be relieved as a result of the infusion of more provincial money into the local transportation field. That is a good in itself, a good which we can totally concur with. We do not really feel that on balance, the eventual recipient of that large debt should be any individual or any corporate conglomeration. That is basically the position we take.

I appreciate the time taken by the chairman and I recognize you have permitted me probably something in the neighbourhood of four hours on this.

**Mr. Chairman:** Are there any other members wishing to speak on this?

**Mr. Deacon:** Yes, I would like to just reiterate or add a couple of points to those which my colleague has made so well.

The consolidated balance sheet, one a pro forma and an actual, before and after a purchase, would certainly show the position of the parent in the acquisition of these things and would give the board a feeling of security.

For example, if someone buys an operation such as this and has made a down payment and is unable to meet his obligations it is quite possible that the debtor or the person to whom the money is owed could become the new operator or in effect be applying to the board, and it could be an embarrassing position. If the public service was in jeopardy of being closed down and there was a requirement to have an operation, I would think

you would want to know that the person to whom the debt was owed and who might seize the property and the equipment and ask for permission to operate, would be one that you would like.

There is another major problem that comes up in this whole field, and that is the degree of restriction of competition that is developing and that is a serious one that some of the school boards have been bringing up to me.

I think it is a product of the school board's own activities to a great degree in the way they—there is an awful lot The Department of Education could do to help keep independent operators in business. To the east of the city several school board people have pointed out to me the problem they now face in contracts coming up with a lack of bids they feel are reasonable on new contracts.

They foresee a real need on the part of the chairman of this Highway Transport Board to assist in every way possible the smaller operator to stay in business and survive because they are having increasing difficulty ensuring that they are getting good competitive bids for the transportation of children in this province.

Another point I wanted to say is I would hope that the licensing is not automatic, that there will be a thorough investigation and the chairman is satisfying himself on these matters for the ultimate long-term picture, the provision of school transportation and other transportation.

**Mr. Shoniker:** I can assure the hon. member that it is not automatic and that every application that comes before the board is advertised in the Ontario Gazette and the public is notified; and any application *de novo* for a school bus operation must be supported by the local school board. Secondly, if there is a transfer of any school operation, approval must first be obtained from the school board for the transfer as far as the board is concerned. I assure you we do that.

**Mr. Deacon:** One thing I want to make clear, Mr. Chairman, is that some of the best operations in this country are conducted by Charterways and Skinners—

**Mr. Bullbrook:** Oh yes, yes; right!

**Mr. Deacon:** I am quite aware of that. We are not taking anything away from them, but we do feel that in order to ensure that operations continue to be of the highest standard there should be good competitive situations throughout the province.

**Mr. Chairman:** Mr. Yakabuski.

**Mr. Yakabuski:** Mr. Chairman, I think we are all aware that the development of monopolies and the trend to them is one of the tragedies of this society, or the booming sixties. Where it was once desirable for a small businessman or an independent operator to own his own operation this is no longer so.

Now it is perhaps—and it has been proved many times—more desirable for the small independent operator to get out. I think he is tired of the so-called rat race and wants to get out and turn it over to the giant with all his facilities and expertise and let him run it.

Of course, this eventually leads to what the member for Sarnia said, higher prices or higher rates, and in some cases a less efficient service because of the resulting monopoly. Now this is so, but what are some of the answers.

I think I would have to agree with the member for Sarnia, that the board would have to take a closer look at the financial arrangement in any of these transfers. Perhaps it would be possible through legislation, or whatever need be, that when an application for transfer is made to the Ontario Highway Transport Board, this be subject to approval only after The Department of Financial and Commercial Affairs approves the financial arrangement.

I think this is probably an area where that would come under the jurisdiction of The Department of Financial and Commercial Affairs and therefore I would think they would have to be involved.

Now I think all of us in the province are concerned with the elimination of the independent or small school bus operation. I think this is true in many parts of the province, and the takeover by the larger transportation companies. But I have noticed in the past couple of years when some of the other companies have bid and taken these contracts at a much, much lower rate—and I think it is pretty hard to complain on one hand as most of us do about the high cost of education, and then on the other hand argue against the low bid made by some of these larger transportation companies, and, of course, at a savings to the taxpayers of the province.

**Mr. Bullbrook:** I called this a loss leader the other night because the point is, the operator has the opportunity of re-negotiating after the first year, and in every situation known to us, there was an elevation of the rates in the second year.

**Mr. Yakabuski:** This possibly could be so.

**Mr. Bullbrook:** He eliminated the competition.

**Mr. Yakabuski:** I realize, but initially I think we have to look at the low bid. If he is prepared and must provide an adequate service.

**Mr. Young:** Plus a longer term contract.

**Mr. Deacon:** That is the key to it. Mr. Chairman, I wonder if I could question the minister in that regard.

**Mr. Chairman:** Are you through?

**Mr. Yakabuski:** Yes, I am through, unless there is some exchange here.

**Mr. Deacon:** Has the committee that I understand has been formed with The Department of Education officials and representatives of The Department of Highways and Transport, the Ontario Highway Transport Board, school transportation officials and school bus officials to study this whole matter of longer term contracts made any progress? I understand there is pressure to work out a form of contract which is not subject to Ontario Municipal Board approval but would give a little more stability and assurance of revenue to the operators so that we could eliminate some of the perils of setting up small school transportation business. They would have a longer contract under certain conditions.

Do you know of that committee? There has been a committee appointed, under the chairmanship, I understand, of The Department of Education.

**Hon. Mr. MacNaughton:** My only knowledge is that The Department of Education has been pursuing this—

**Mr. Deacon:** You have representatives, I understand, on that committee?

**Hon. Mr. MacNaughton:** I am not aware of it.

**Mr. Bullbrook:** Mr. Minister, do you not think it would be within your realm of responsibility more than that of The Department of Education?

I as a lay person would think if you are adopting total transportation policies we do not look to the educators to involve themselves in transportation matters, but rather the transportation people.



**Hon. Mr. MacNaughton:** Well their boards are involved in it, so I suppose they do have an interest in it. The costs are subsidized, grants are given, they are taken into the grant structure, so I presume whenever that is done the department is going to have an interest in it.

There have been some observations made here that I cannot totally agree with. I have some familiarity with what goes on in my area. When this was in the hands of a private operator, a local operator, in my nine years of experience on the board the service was admirable and there was an annual request for an increase in rates when it was under private operation.

Costs go up, of course. It does not simply hold that if it is a private operator you will get a better price than you will with somebody who is probably in a position to do something in the performance field at a lower cost. It may well be the efficiencies and the economies of scale take over, because I would have no reason to believe that the board, in the situation that is involved here, would perform any differently at this level than they did before.

It is a county board now; it was a district board when I had some experience on it. Just because it was a private operator did not mean that he made a request for higher rates every time his contract was renewed, because that is not the case.

I am not sufficiently familiar with what takes place in the broad field to answer that question properly. It is maybe worthy of a little research. If I might just say this, I do not think that bigness means anything untoward in terms of efficiency nor does it mean necessarily that it is going to impose a higher cost as these contracts are renewed from time to time because they are open for bidding again. They are open for everybody.

I would point this out to the hon. member; that it is not every area of this province which has a competent operator in the local area; they have to go outside. Sufficient enough to say that in the county of Huron, which I represent, the operator who served the Clinton district school board also competes in the very market that Skinner competes in in a very substantial way. He comes from a small community. So the competition is there.

I know of circumstances, when Murphy—G. and T. Murphy, which is a Clinton-based operation, and a good one—has taken potential contracts away from Skinner. I know that. He is regarded as a local-based operator

**Mr. Bullbrook:** You know, we premised part of our statement in this connection. Really, the basic thing, the focal point, of this cannot be missed, of course. It is not missed by the chairman of the board or the minister; it is the fact that we are dealing with public funds—right? The fact is that Mr. Skinner—you know, if really the public is getting their dollar's worth, the question to be asked is how did Mr. Skinner acquire this equity in life over a 15-year period? It looks like it a real good business.

**Hon. Mr. MacNaughton:** It is either a real good business, or he is a hell of a good operator.

**Mr. Bullbrook:** He is and he—

**Hon. Mr. MacNaughton:** That would be my opinion.

**Mr. Bullbrook:** And if we want to put it in that context, he is making a hell of a lot of money and that hell of a lot of money is public money.

**Hon. Mr. MacNaughton:** Right.

**Mr. Bullbrook:** That is the point. He is not, as we said the other day, selling sweaters or motor cars. He is dealing with public funds.

**Mr. Spence:** Mr. Chairman—

**Mr. Chairman:** Mr. Stokes, I think.

**Mr. J. E. Stokes (Thunder Bay):** I would like to ask Mr. Shoniker, if I may, the status of the application made by Lakehead Freightways? I understand, because he is an inter-provincial carrier that the federal government has jurisdiction over him.

I had several complaints from some significantly large companies in my riding—Noranda Mines for instance, and Willroy Mines—where, because of a dispute between Lakehead Freightways and their employees, they had to suspend services out of Sault Ste. Marie west. That covered all of northwestern Ontario and parts of Manitoba.

I do not think that dispute was ever resolved and the result was that a lot of carriers which delivered to Lakehead Freightways in Sault Ste. Marie, or supposed to, would not deliver to them. The shipments, say from the United States, from Toronto and the Toronto area, got as far as Sault Ste. Marie. They would not turn them over to Lakehead Freightways; they were diverted either back to Sudbury, North Bay, or in many cases, back to Toronto.



The result was that many of the consignees in my riding were paying double. When a competitor asked for the right to step into the market and provide the service at normal rates, the application was turned down.

Since then, I am told there is an application before the board for Lakehead Freightways to expand their area of operation. It would include, I think it is, a line from Whitby stretching north to North Bay, which in effect would give Lakehead Freightways the right to come down and get shipments right out of the markets that are close to them at the present time.

I am wondering would the chairman be prepared to say what the status of that whole dispute is at the present time, and how it may be resolved?

**Hon. Mr. MacNaughton:** I am sure he would.

**Mr. Shoniker:** Mr. Chairman, hon. Minister and hon. member, the problem that we had in the north country at that time, of course, was a labour problem, a union problem. It was not the fault of the particular operators. It was that their employees belonged to a certain union and they would not transfer freight. Of course, the board had no jurisdiction. Unfortunately, the carrier was in a position that he could not do very much about it. I think it has been pretty well settled at the present moment. It is settling itself, I understand.

As far as the applications are concerned, one was dismissed, the other reserved. The one you are referring to is a reserved decision.

**Mr. Stokes:** Has it resulted in normal rates to the consignee? That is the problem that I want resolved.

**Mr. Shoniker:** As far as I know, the rates have got back to normal again.

**Mr. Stokes:** I see.

**Mr. Shoniker:** Yes, I am almost sure they have. It was a problem over which we had no jurisdiction. You can appreciate it was a union matter and the drivers would not transfer freight from one company to the other. Of course, we could not interfere. I think that is the best answer I can give.

**Mr. Chairman:** Mr. Spence.

**Mr. Spence:** This may be talking away back, but nevertheless before the district high schools came into existence, we had district high school and township school

boards operating their own buses, through which they saved considerable money. Take the hon. member for Elgin; in the West Elgin district high school, they were greatly disappointed when the county school boards made that decision to call tenders and to do away with the school boards owning and operating their own buses.

**Hon. Mr. MacNaughton:** I think it might be fair to say that in terms of overall experience they found it was cheaper to contract, than own and maintain and everything else. I am quite confident they did.

**Mr. Spence:** But the school boards did, Mr. Minister.

**Hon. Mr. MacNaughton:** Yes, many of them did and up until the reorganization, you know, they did it right up to that point. I think the research proved in an overall sense that it was more economical for the boards. Ownership requires maintenance staff; it requires debt service costs; it requires everything. I think on balance they thought it was more economical to leave that up to the private operator.

**Mr. Haggerty:** They had one advantage though; they were paying less for licences.

**Mr. Chairman:** Is 2303 carried?

**Mr. M. Makarchuk (Brantford):** No, hold it Mr. Chairman, I have one point. Mr. Shoniker, are you involved in the rate structure for the trucking industry? Do you have any say in what they charge for freight rates?

**Mr. Shoniker:** Mr. Chairman, hon. minister and hon. member, the board has jurisdiction only in the filing of rates. The present regulation requires that every carrier with more than four pieces of equipment register his rates or file his rates with the board. Those rates must stay in effect for 30 days before they can be changed. The board has no jurisdiction as far as setting the rates is concerned. We have only filing of rates power. The rates must be filed with the board but we have nothing to do with the setting of rates.

**Mr. Chairman:** Mr. Deacon.

**Mr. Deacon:** Mr. Chairman, I was going to ask the chairman if there is any sign of vertical integration between, for example, manufacturers—Ford, General Motors, Chrysler or some of the coach companies—and any of the school transportation operations? Have you checked, as a board, into whether ownership is beginning to move into the hands of the

manufacturers of equipment? There is a real tendency. This trend could easily develop in view of the fact that some of the operators have almost a captive source; so far it is the other way around. Has the board looked into that situation?

**Mr. Shoniker:** Mr. Chairman, hon. minister and hon. members we do; we watch it carefully. Most of the conditional sales contracts, of course, which the companies enter into, are reasonable ones. There is no indication, at the moment, that the bus manufacturers are endeavouring to get into the transportation field as far as the carriage of school children is concerned.

**Mr. Young:** I think it could be done, Mr. Chairman.

**Mr. Shoniker:** It could be done or it can happen.

**Mr. Young:** In the same way that we were discussing a few minutes ago. They could finance a person who acquires and, therefore, have control.

**Mr. Shoniker:** That is right.

**Mr. Deacon:** Have you actually made inquiries, or done any investigations into this, to determine by questionnaires to operators the degree of interest or extent of interest, whether it be by debt or otherwise, of suppliers in their financial structure.

**Mr. Shoniker:** No, we have not. The only thing we have done is watch their annual financial reports which they submit to us, and that is as far as the study has gone. But watching them as we do, there is no indication. Again, as the hon. member has said, it is quite possible, but we have not gone beyond that.

**Mr. Deacon:** The reason I suggest that this is something that one should watch is some very attractive financing propositions have been put forward by manufacturers on condition that they be the exclusive supplier. This type of situation, if it did get under way, could cause a real vertical integration and we could find ourselves controlled by the major suppliers.

**Hon. Mr. MacNaughton:** We would agree with the hon. member on that; that would be something that should be watched, I think.

**Mr. Deacon:** I ask then that this matter be investigated, if the minister would.

**Mr. Chairman:** Vote 2303 agreed to. That completes The Department of Transport estimates. The estimates of The Department of Highways. Vote 801. Mr. Martel.

On vote 801:

**Mr. Martel (Sudbury East):** Mr. Chairman, I have a number of things I want to raise in respect to this section of the minister's estimates. The first is not directly related to the estimates. It is just a very quick question that I have been raising over the past three years on the way the things appear in the public accounts. This was submitted to me last year as a result. Is there going to be any change in the foreseeable future on bringing in public accounts which would be similar to this in nature, which would indicate the contract, the contract number, the type, the district location and value? I have been after this now for three years, because—

**Hon. Mr. MacNaughton:** Have you gone to the public accounts committee?

**Mr. Martel:** No, I have not. I brought it to this department; before this set of estimates, each year. This is the third consecutive year. Because what is in the public accounts for us to work with, makes it virtually impossible to do any work.

**Hon. Mr. MacNaughton:** I would make the suggestion to the hon. member that that is a determination to be made by the public accounts committee, with a recommendation to Treasury Board and to the Provincial Auditor.

**Mr. Martel:** Right! But could not the minister's department be making that recommendation?

**Hon. Mr. MacNaughton:** No.

**Mr. Martel:** It would carry much more weight than mine, I can assure you.

**Mr. Chairman:** I would suggest that you get to the vote.

**Mr. Martel:** I think this is vital to understanding what is going on in the estimates.

**Hon. Mr. MacNaughton:** Then the hon. member should make an appearance before the public accounts committee.

**Mr. Martel:** That is the same answer as last year.

**Hon. Mr. MacNaughton:** But that is the forum to do it in—not here. We do what we

are told or what is accepted from the public accounts committee.

**Mr. Martel:** Right; and you never make any recommendation.

**Hon. Mr. MacNaughton:** With the support of the Provincial Auditor, I would add.

**Mr. Martel:** Right; you have never made any recommendations to the public accounts committee, then, of any other nature?

**Hon. Mr. MacNaughton:** I have been before the public accounts committee as chairman of the Treasury Board by command performance, and we have made suggestions to the public accounts committee.

**Mr. Martel:** I would hope that Highways, so that the members—

**Hon. Mr. MacNaughton:** The member should read the report of the public accounts committee.

**Mr. Martel:** I never read the report.

**Hon. Mr. MacNaughton:** You will find that Mr. MacNab appeared before the board and made certain recommendations.

**Mr. Martel:** Right. That is precisely the point I am making.

**Mr. Chairman:** Can we proceed back to vote 801?

**Hon. Mr. MacNaughton:** It is the function of the chairman of the Treasury Board to do that.

**Mr. Martel:** But this is precisely why I am making this suggestion again.

**Hon. Mr. MacNaughton:** Make it to the right people.

**Mr. Martel:** Well I would suggest, rather strongly, that if you wanted to, you could make that sort of appeal to the public accounts committee.

I want to talk about the new role, however, of the department. I have some reservation, although I have been recommending it for three years, that this department take on a new role—

**Mr. Haggerty:** Yes and no with him.

**Mr. Martel:** —a much greater role—

**Mr. R. K. McNeil (Elgin):** At the same time!

**Mr. Martel:** Do you want them to have the floor, Mr. Chairman, or do I have it?

**Mr. Chairman:** Go on, Mr. Martel.

**Mr. Martel:** Thank you.

**Mr. Deacon:** The interjections were not objectionable the other day when you were interrupting us.

**Hon. Mr. MacNaughton:** It is very interesting for you to say that—forgive me for getting on this—but this I have to say. It is not unknown for you to make certain interjections either.

**Mr. A. K. Meen (York East):** That is right!

**Mr. Martel:** Oh, on occasion!

**Mr. L. A. Braithwaite (Etobicoke):** At the appropriate time.

**Hon. Mr. MacNaughton:** Let the record show that I made that observation.

**Mr. Stokes:** Touché.

Interjections by hon. members.

**Mr. Martel:** I can assure you, it was a delightful Wednesday.

**Mr. Yakabuski:** You will not live on cloud nine too long. We will down you soon.

**Mr. Martel:** Just call the election. We are ready if you are.

**Mr. Braithwaite:** Back to the vote.

**Mr. Martel:** I think you are much more weary than we might be.

**Mr. McNeil:** What part of the estimates are we on now?

**Mr. Martel:** Getting back to the vote, to this particular item though, Mr. Chairman, over the two years or three years that I have worked with respect to this set of estimates, I have recommended a greater role for the minister's department in the economic development of this province. I have some reservation, though, as to whether he will be able to pull it off—not him in particular—as the type of philosophy that the government has does not really allow it to get into the real field of using highways as a method for economic development.

If you want to develop an area or see it developed and private industry says, "No, we are not developing," I think we have to start from that position. What happens then? What



do you have at your disposal to get them to go into an area, let us say, that you want developed?

**Hon. Mr. MacNaughton:** We do not take our orders from private industry.

**Mr. Martel:** I am not saying that.

**Hon. Mr. MacNaughton:** How do we tell them where to go at this level?

**Mr. Martel:** At government level!

What I have suggested in the past was that we have to set up data centres which would take into account all of the things that must be known about an area that we want to develop, such as mineral stores, forest reserves, vegetation, education levels, available services, markets and so on. That has to be done, first and foremost.

You want to develop an area, so you are going to put a highway in. What if industry just refuses to go in and does not go in? What leverage have you to ensure that after you have constructed a highway for development that industry will go along and move into a particular area to see that it is developed?

**Hon. Mr. MacNaughton:** I think I have said this many times during the estimates of the previous department. This is what regional economic development is all about. Many papers have been written on it. They have been presented to the public in various areas of the province. They have suggested that the use of transportation facilities is a useful developmental tool. I simply ask you to read the reports. It is all there.

**Mr. Martel:** I have read the reports. I have looked at the reports.

**Hon. Mr. MacNaughton:** You will see it all there.

**Mr. Martel:** I am saying to you, when they decide that they are not going in there, that you want a resource tap that is beneficial to an area.

**Hon. Mr. MacNaughton:** Well we have two functions: First of all to serve existing communities; and secondly to use roads as an instrument to develop new ones.

**Mr. Martel:** Right!

**Hon. Mr. MacNaughton:** Would the member suggest that if industry cannot be forced to go to a certain area of the province—and they cannot be forced, we cannot tell in-

dustrial; I presume you would, but we do not do it that way.

**Mr. Martel:** We just might.

**Hon. Mr. MacNaughton:** You just might. I think that is something that the free enterprise sector should know about.

**Mr. Martel:** We have told them quite openly.

**Hon. Mr. MacNaughton:** If you are going to debate philosophically with me, I will take you on any time, but I do not think this is the place for it.

**Mr. Martel:** Well, I think it is. Because the—

**Mr. Makarchuk:** Thatcher tried it, it did not work.

**Mr. Martel:**—whole purpose of using transportation—

**Hon. Mr. MacNaughton:** With Thatcher, they registered a protest against the federal government.

**Mr. Martel:** Why do you not call an election then?

**Hon. Mr. MacNaughton:** If you want to permit that kind of a debate, Mr. Chairman, I would be quite happy to take it on.

**Mr. Chairman:** Let us get back to the vote.

**Mr. Martel:** It has everything to do with how we are going to go about it.

**Hon. Mr. MacNaughton:** I want to know.

**Mr. Makarchuk:** The minister is nervous today.

**Hon. Mr. MacNaughton:** Not in the slightest.

**Mr. Makarchuk:** You did not have a very good Wednesday?

**Hon. Mr. MacNaughton:** I did not even know about it until this morning, and I am quite all right today. Now, you were saying?

**Mr. Martel:** Well, I am glad you are back with me.

Interjections by hon. members.

**Mr. Martel:** I want to know—

**Hon. Mr. MacNaughton:** Speaking of interjections!

**Mr. Martel:** Is that it? You have never interjected?

**Mr. McNeil:** It is very difficult to follow you.

**Mr. Martel:** Yes, for someone of your capacity!

**Mr. Chairman,** I think it is very important—

**Mr. Haggerty:** Mr. Chairman, did we not discuss this in the previous vote, the transportation programme?

**Mr. Chairman:** Reasonably, I believe, he is not speaking on the right vote. Transportation research, is that the vote you are speaking on?

**Mr. Martel:** No. I think all decisions with respect to where you are going to develop a road, are arrived at in main office. The ultimate decision as to going ahead with a road—

**Hon. Mr. MacNaughton:** To prove that the hon. member is, to an extent, out of order, may I suggest that this type of dialogue should take place with the Minister of Economics?

**Mr. Martel:** No, because—

**Hon. Mr. MacNaughton:** Yes it should, because they set that type of policy and the departments follow it.

**Mr. Martel:** This is the point though: Is your department going to be a follower or is it going to help to develop the province and be in the vanguard? Or is it going to be as in the—

**Hon. Mr. MacNaughton:** I might tell you—

**Mr. Martel:**—past playing follow the leader?

**Hon. Mr. MacNaughton:** I will answer that question by saying that this is a department of government. We take our policy direction from the government.

**Mr. Martel:** Right!

**Hon. Mr. MacNaughton:** Right! All right, then you talk to the department that has something to do with the development of that type of policy for government consideration.

**Mr. Martel:** But your announcement was that highways were going to be used to fulfil the potential economic development of the province.

**Hon. Mr. MacNaughton:** This is correct, because that is policy. The question that was asked of me, Mr. Chairman, with respect, was such as this: "If it is in the interests of a certain area of the province to build a road for the sake of developing industry, and industry will go there, will we build the road?" That was the question you led off with.

**Mr. Martel:** No.

**Hon. Mr. MacNaughton:** Yes, it was. The record will show it is.

**Mr. Martel:** I asked what vehicle you would have to get industry into the area? There is no sense building the road if they are not going to go there.

**Hon. Mr. MacNaughton:** That is quite correct. The hon. member is aware that we have certain incentive programmes that attract industry to communities they would not otherwise go to. It is working very well. Not that it cannot be improved upon, but when those incentives persuade or encourage an industry to move in a certain area, transportation facilities will either be there or provided.

**Mr. Martel:** So then the real function of the department is still going to be that if an area is to be developed, the entrepreneur will go in first and decide it is going to be built. The area is going to be built up and Highways will push a road in.

**Hon. Mr. MacNaughton:** Well, I pointed out we have two functions. One is to service what is there now.

**Mr. Martel:** Right!

**Hon. Mr. MacNaughton:** And the other is to use it in line with government policy to attract industry to certain areas of this province, and that is taking place.

**Mr. Martel:** Yes. Then what vehicle have you set up within your department to take the type of inventory which will lead The Department of Transportation and Communications to make decisions as to where highways should go in future to open up new areas?

**Hon. Mr. MacNaughton:** I refer you back to some of the regional development reports. The Department of Transportation and Communications is represented on the advisory committee of 10 or more departments that advise the government on policy in this

sphere. We have an input in this area and we perform to the best of our ability.

**Mr. Martel:** You will simply take information primarily from other departments then?

**Hon. Mr. MacNaughton:** I suggest that policy cannot be developed in isolation—

**Mr. Martel:** No, I am not—

**Hon. Mr. MacNaughton:** I think we need the input of a whole range of departments because they all have some part to play in the development of that policy. This department will play its part, I can assure you.

**Mr. Martel:** It is not going to have the major input into development that I would have hoped for.

**Hon. Mr. MacNaughton:** It is interesting to know that you would do it differently.

**Mr. Martel:** Well I would. I have also put it on the record; possibly you should read it. I put it on the record in great lengths last year and the year before.

**Hon. Mr. MacNaughton:** I have read it.

**Mr. Martel:** No, you did not read it.

**Hon. Mr. MacNaughton:** Oh, yes I did.

**Mr. MacNeil:** It was not very practical.

**Mr. Martel:** I used a number of economists and sociologists to assist in developing it. It was not some brainchild of my own; they were all university personnel who are in research.

**Hon. Mr. MacNaughton:** I not only read it, I heard some of it.

**Mr. Martel:** You were not in here; it was done in here, so I am afraid you have missed the boat.

The rest of what I have to say on that particular thing is down the drain because you are just not going to have the function that you gloated about and had so nicely written up in the Throne Speech.

I want to go on then to environmental control. The Americans have recently—again it pertains to main office and the decisions which will be made there with respect to any new programme.

**Hon. Mr. MacNaughton:** Is this on the administration vote?

**Mr. Martel:** Would that not come under administration?

**Mr. Chairman:** I fail to see that it would.

**Mr. Martel:** Where would you want to bring it in then? These are all decisions that would be arrived at by main office, would they not?

**Hon. Mr. MacNaughton:** Environmental control, improvements and resources?

**Mr. Martel:** No, no! This is in respect to the—

**Hon. Mr. MacNaughton:** I referred earlier, possibly the hon. member was not here, about what we are doing about environmental—

**Mr. Martel:** I am just wondering if your department has seen this book put out by the highway environment branch of the United States Department of Transportation?

**Mr. Chairman:** That was discussed on a very broad basis, Mr. Martel, in The Department of Transportation estimates.

**Mr. Martel:** I have been here steadily; I have been in here for the entire set of debates.

**Mr. Yakabuski:** You must have gone out to answer a telephone call.

**Mr. Martel:** What I am driving at, Mr. Minister, is I want to know who in head office—in the United States what they have done is they have opened up a series of offices under the direction of one department, one area of the department of highways. They have offices in various states of the union with reference to this.

What I am concerned about is knowing who in your department is responsible for assurances of protection for environment; air, water and so on? I bring this up because of something that just happened in my riding.

A causeway was put across a lake and on every occasion that it rains the silt and so on go into the river. Property has been damaged. Some people are trying to sell out, and there certainly is a danger to that whole lake. I am talking about the Long Lake area in Sudbury, because of the causeway that was put on and the flow of the silt into the water after every rain. This is why I want to bring this item in because it must come under administration.



**Hon. Mr. MacNaughton:** Let me ask the executive director of the planning branch to comment on this. I would say that there are numbers of sections and divisions of the department that collaborate in these matters.

**Mr. Martel:** Is there a head man who is responsible for it all?

**Hon. Mr. MacNaughton:** Just ask Mr. Bidell how it is done.

**Mr. W. Bidell** (Executive Director, Planning Branch): With respect to the environmental effects of transportation facilities, we do have an office set up within the planning division. It is considering and will consider all the effects of various transportation proposals, not only on the environment but also the impact on the community and so on and so forth.

**Mr. Martel:** Well, have your people seen this book, Mr. Bidell?

**Mr. Bidell:** Yes, I have a copy of that.

**Mr. Martel:** Right!

They have on their staff, and this is why I want to get into it, in the United States sociologists, architects, economists, appraisers, engineers, and so forth, to ensure that not only the environmental aspect but the aesthetic, qualities are protected. I am wondering if we have moved very far into this field in Ontario? This is relatively new.

**Mr. Bidell:** Yes, we have moved in this field. As a matter of fact, we do have a sociologist on our staff, one with a master's degree in this field. We do have a landscape architect on our staff. We do have economists on our staff. So we are moving in this field.

**Mr. Martel:** What percentage of the costs of any major highway work is devoted then to ensuring, not only the environmental quality but the aesthetic quality and so forth? In the United States I believe 12 per cent goes for this sort of insurance, if I might call it that. I am wondering what percentage is spent here. Has that been calculated?

**Hon. Mr. MacNaughton:** In terms of percentage, I would not have an inkling how you could separate this out for the various sections involved. It is all part of the total work and I do not know how you would break it down. I suppose I could facetiously say that if it is 12 per cent there, it has to be at least 12.5 per cent here.

**Mr. Martel:** I just expressed concern. We have to start to consider this. What they are doing in the United States when they build a highway now is they are using their highway for a great variety of things; the structures on the highways are being utilized for other efforts. There is close co-ordination with conservation people, with historical groups and so on, to ensure that much of the aesthetic qualities, much of the historical things that are in existence, do not get destroyed for the sake of a highway. They try to work to preserve as much as possible. This is what I am driving at.

**Hon. Mr. MacNaughton:** Well we do this too. Let us hear from Mr. McNab.

**Mr. McNab:** We certainly do this. As a matter of fact, all our new facilities are looked at for what we are calling the possible joint use of rights of way, so that we can effect economies and alleviate as much as possible the slicing up of land unnecessarily. We have joined with Hydro, all the utility companies and what not in researching this and are quite definitely working together with them on that.

**Mr. Martel:** Do you consult frequently with other interested groups outside of the governmental bodies, such as volunteer groups?

**Hon. Mr. MacNaughton:** May I suggest to you that if we do not consult with them they consult with us; that is for sure.

**Mr. McNab:** Incidentally, we have read all the material available on this; we are on the mailing list. It has been our experience that most of the things that are reputed to be going on in the states, we find on getting down to it, are things that have been done by some persons writing theses for their masters'—not in all cases. But I say—and I know you would like to be proud of the department—that we have probably gone further in this field than most others. I mean, modesty keeps me from telling you just how far we have gone.

**Mr. Martel:** I am delighted with your modesty. Really I am. It is very reassuring.

I want to get back to the one particular area then, in the Long Lake area. Why would this condition be allowed to continue? There are methods now of putting on grass with a chemical spray, because once you build a causeway there is always the runoff problem. But the major companies took us on a tour last spring in the Sudbury area, and they showed us what they were doing to try to get grass to take. It is a real problem on these

steep slopes, and they have come up with a company that plants the seed and at the same time puts a protective cover of plastic—

**Hon. Mr. MacNaughton:** We have been doing that for years.

**Mr. Martel:** Well, why have you not done it on this causeway then? These Finnish people have been complaining.

**Hon. Mr. MacNaughton:** On the causeway?

**Mr. Martel:** Yes.

**Mr. McNab:** What highway is that on?

**Mr. Martel:** Across Long Lake. You took a bridge out about two years ago and put a causeway across the lake.

**An hon. member:** It is 545 now.

**Mr. Martel:** It is 543.

**Mr. McNab:** Unless Mr. Adcock or one of the boys here has anything, we will have to get some information on it. I am quite sure there is a logical explanation for it, but we will certainly get a report to you, sir.

**Mr. Martel:** Well, the Finnish people all have saunas and so on, and after a rain they simply cannot use them because there is so much mud and silt in the water.

**Mr. McNab:** I am advised that Mr. Crosbie, the assistant deputy minister, administration, has something on that.

**Mr. D. A. C. Crosbie** (Assistant Deputy Minister): You will recall, Mr. Martel, you inquired about this by letter several months ago—

**Mr. Martel:** Right.

**Mr. Crosbie:**—and at that time you suggested there was a certain type of vegetation or treatment that could be used and we advised you at that time that we were looking into it. I cannot tell you the current status of it, but I know our arboriculturalist was looking into the matter. I think we advised you at that time.

**Mr. Martel:** I simply relate this then back to the original thing that I started out on, because if it is happening there I am just wondering how conscious we are of this sort of thing across the province. That is why I asked how far we have gone into protecting the quality.

**Mr. McNab:** What you are talking about is mulching banks, not for aesthetic purposes but to control erosion. This has been developed in Ontario and it is being used extensively. If there is some reason why it cannot and will not take up there, I do not know, but I am pleased that it is being looked into.

**Mr. Martel:** Well, I wrote some time ago. I do not like to spring these things on you at the last moment.

**Hon. Mr. MacNaughton:** We are glad to hear that you do not like to do that.

**Mr. Martel:** Another thing I would like to—

**Mr. Makarchuk:** Until it is National Finnish day they cannot come back to Long Lake, that is all.

It just does not come out. It does not add up.

**Mr. Martel:** In relation also to aesthetic qualities and so on, last summer I drove through Quebec, and the rest areas on the highways, particularly from the Quebec border to Quebec City, are just first rate. It is not an outdoor "john"; there is running water, a telephone and they are paved in and out both ends. They are really first rate, Mr. Minister. I am just wondering if we could start to upgrade the quality of the rest areas for the travelling public in Ontario.

I drive down from 69 and 103 every week—

**Hon. Mr. MacNaughton:** I find it very restful to look after those matters of comfort differently when I am in the country, quite frankly.

**Mr. Martel:** Mr. Minister, I am not talking about the country.

**Hon. Mr. MacNaughton:** I really do.

**Mr. Stokes:** What do you do, go in and—

**Mr. Martel:** He gets the message. Yes, well possibly you—

**Hon. Mr. MacNaughton:** I come from the country, you see.

**Mr. Martel:** You have an advantage. You have a slight advantage over women.

**Hon. Mr. MacNaughton:** Well, well!

**Mr. Martel:** The point I am making is the quality of it. On the Quebec highways, they have these advertised—

**Hon. Mr. MacNaughton:** I do not want this debate to deteriorate any further.

**Mr. Martel:** They indicate for some miles in advance that there is going to be a resting place.

**Hon. Mr. MacNaughton:** A "john".

**Mr. Martel:** A resting place, and they indicate if there are tables there on the sign. They indicate if there is running water, which there is not in most of our rest areas.

And they are first rate, you know. People pull off and they have their picnic there; it is an opportunity for the whole family to get out and stretch their legs.

**Hon. Mr. MacNaughton:** And frequently leave their litter all over the place too?

**Mr. Martel:** I do not think they do. Could they do it any more than we do it in Ontario? We throw it out the window because there are no containers.

**Mr. Meen:** They do not do it any more. There is a \$50 fine.

**Mr. Martel:** I can recall the new Minister of Mines and Northern Affairs (Mr. Bernier) last year suggesting that Ontario should get off its can and start to put some containers out on the highway for the use of the people.

**Mr. Young:** He was not the Minister of Mines then.

**Mr. Martel:** He was not the Minister of Mines then.

**An hon. member:** Get back to the can for the people.

**Mr. Martel:** I am talking about a first-rate rest area where a family can pull off and have their lunch. There is running water. There are telephones. For convenience, there are tables.

I do not mean one every two or three miles. You come south down 103 and 69 and you have four, I believe, all the way down. There is one rest area which has two tables and that is it—not even in the shade, just two tables right beside the road.

**Mr. Makarchuk:** They probably fell off the truck.

**Mr. Martel:** There is no planning. I think it could add greatly to the convenience of the motoring public, that we have this sort of facility—

**Hon. Mr. MacNaughton:** What is wrong with the grass?

**Mr. Martel:** —well advertised by properly located signs. I would like to see the department look into this.

**Mr. Meen:** Mr. Chairman, could I ask—

**Mr. Chairman:** Point of order?

**Mr. Meen:** What has this to do with vote 801?

**Mr. Chairman:** I cannot find the item you are discussing at this time.

**Mr. Martel:** I am sure they itemize every little item. Do you? Have you got every little item here?

**Mr. Meen:** Mr. Chairman, on 803, we deal with road construction programmes.

**Mr. Martel:** It has nothing to do with road construction.

**Mr. Meen:** It is more closely related to that, with all respect, than it is to departmental administration.

**Mr. Martel:** The administration will decide whether these may be built. What would the deputy minister bring this under?

**Mr. Makarchuk:** This is the basic philosophy of The Department of Highways. All we have found out so far is that the Minister of Transportation and Communications prefers leaves. That is all.

**Mr. Yakabuski:** Mr. Chairman, if this item is in order, I think it is a very unfair comparison that the member is talking about the highway between Montreal and Quebec City. If he were talking about between Montreal and Noranda, I think this is a different ballgame. Let us get things in their proper perspective.

**Hon. Mr. MacNaughton:** On this score, let us finish it on this note, if we may. I would like to see some votes getting through, if it is all right with you, Mr. Chairman.

Have you ever driven between Toronto and London, shall we say?

**Mr. Martel:** Yes.

**Hon. Mr. MacNaughton:** Have you seen the service centres there?

**Mr. Martel:** Yes.

**Hon. Mr. MacNaughton:** Are the facilities satisfactory?



Mr. Martel: Right.

Hon. Mr. MacNaughton: Do they have everything that you like?

Mr. Martel: Right.

Hon. Mr. MacNaughton: That is similar to the highway from Montreal to Quebec, I might suspect. It is the same type of highway that we are talking about. Now are you suggesting—

Mr. Martel: The service centres you are talking about are the garages and so on, owned by Imperial and what not.

Hon. Mr. MacNaughton: Garages, restaurants!

Mr. Martel: No, I am not talking about that type.

Hon. Mr. MacNaughton: You are not? But those facilities are provided there.

Mr. Martel: The facilities are just—

Hon. Mr. MacNaughton: There are picnic areas there. There are picnic areas between the centres. The centres, for all practical purposes, are 50 miles apart from Windsor to the Quebec border. They are 50 miles apart and in between those centres there are extensive and very lovely picnic areas.

Mr. Stokes: We are talking about the areas that do not have those facilities.

Hon. Mr. MacNaughton: Of course you are talking about the areas that do not have those facilities, but I suggest that if we are going to provide them, that somebody is going to have to vote us a lot more money.

Mr. Stokes: That is right.

Mr. Martel: Well, Mr. Minister—

Mr. Yakabuski: He used the example of Montreal to Quebec City.

Hon. Mr. MacNaughton: Are you proposing that that should be adopted?

Mr. Stokes: It is a matter of priorities.

Mr. Martel: Spread the largesse around.

Hon. Mr. MacNaughton: Let us try and wind this up by me saying that I do not regard it as a high priority, but the hon. member does.

Mr. Martel: I do when you—

Hon. Mr. MacNaughton: I have listened to what he said, Mr. Chairman, and, respectfully, could we get some things voted here?

Mr. Chairman: If we must—could we not move item by item on these matters?

Mr. Martel: Would this not be under general administration?

Mr. Chairman: Highway construction—maintenance?

Mr. Martel: It would be under highway maintenance?

Hon. Mr. MacNaughton: This is not the vote actually, but I leave it up to you, Mr. Chairman.

Mr. Chairman: Vote 801 carried? Mr. Braithwaite.

Mr. Martel: I can come back to it then, can I?

Hon. Mr. MacNaughton: If the member feels he must, yes.

Mr. Martel: I must.

Mr. Braithwaite: I want to make a very few comments about the government's policy on sound walls for highways. I wanted to bring it up at this time because I do have a petition which I want to read verbatim into the record. It is a short petition, but it is signed by over 100 people, and I do feel that this might be the appropriate time to put this petition on the record.

The minister is aware of this problem, Mr. Chairman, so I will not ask for any comment until I have finished. The Star on June 22 had a short article on the Metro page. It was headed "Sound Walls Planned For 401" and it mentioned the fact that there is going to be \$265,457 spent for experimental sound barriers to keep the noise of traffic on Highway 401 away from nearby residents.

The area that this article was talking about is the area that has been brought up in the House by myself with the minister's predecessor and that article is talking about the area south of Dixon Road, or south of Airport Road, and to the east of Highway 401.

Mr. Chairman, I—

Mr. Meen: East of Highway 400, does the member mean?

Mr. Braithwaite: No; on the east side of 401, south of Dixon Road.

Mr. Chairman, the residents of Kingsview Boulevard and Camperdown Avenue, which are two streets located north of Dixon Road and immediately east of Highway 401, contacted me some time in April. I wrote to the minister on April 13, 1971, and brought the problem to his attention. He replied to me, Mr. Chairman, on April 22.

On May 20, 1971, the citizens of these two streets, Mr. Chairman, had a public meeting. Out of this public meeting a committee known as the Kingsview-Camperdown Silent Nighters was formed. That is a pretty good name, is it not—Silent Nighters?

What they are complaining about, Mr. Chairman, as you no doubt can guess, is that the noise of the highway makes life unbearable. In any event the committee was formed to unite citizens whose common goal was to reduce or stop the unbearable traffic noise from Highway 401 in the area.

On May 25 they sent me a petition, Mr. Chairman, which I would like to read into the record so that the minister or his committee or some of his officials can make comment on it.

The petition, Mr. Chairman, is addressed to the hon. Charles MacNaughton, Minister of Highways, Ontario Government, Toronto 182, Ontario and its subject is, "The Traffic Noise from Highway 401."

We, the home owners and residents of Kingsview Boulevard and Camperdown Avenue request you to take action in reducing the traffic noise and other pollution from Highway 401 so that our homes and lands can be used in a manner that will permit normal living conditions.

Kingsview Boulevard and Camperdown Avenue run parallel to the south side of Highway 401 between Dixon Road and Kipling Avenue. The boundary lines of our property run approximately 60 feet from the highway. These homes were constructed during the years 1959 and 1960.

Since the widening of the 401 our homes are not available to us for normal use and our lives and health are seriously affected. We therefore believe that this type of problem is sufficient to warrant immediate government action. We do not want a study that will last for an indefinite period with no results. We want government action this summer of 1971 to reduce the noise and other pollution caused by Highway 401.

A more detailed description of the noise and other pollution from the 401 and how it affects our lives is as follows:

And then they have the first subparagraph:

#### A. Outside our homes:

1. Although we have spacious backyards they cannot be used for relaxation or recreation. It is virtually impossible to sit in our backyards and indulge in audible conversation without resorting to shouting. Communication between two individuals at a distance of 40 feet usually has to be in the form of sign language.

2. Our children can seldom play in our backyards because of noise and the resulting communication problem. They are forced to play either on front lawns, in the homes, or on the street.

3. Recreational facilities such as swings, barbecues, and so on, cannot be used in such an atmosphere of unpleasantness.

4. Lawns, shrubs and trees are adversely affected by salt in the winter and dust in the summer.

5. Because of increased dust from heavy traffic, clothes dried on the clothes line outside are sometimes as dirty as before washing. Many residents have therefore been forced to purchase dryers.

6. Exhaust fumes from heavy traffic linger in the air outside our homes and we are therefore highly susceptible to the resulting dangers to our health.

7. Because of dust and dirt from the highway, it is almost a waste of time to paint the outside of our homes.

Now the second main heading is:

#### B. Inside our homes:

1. On a year-round basis the traffic causes our homes to vibrate. The rattling of windows, dishes, and the shaking of pictures is not uncommon during the passing of convoys of heavy trucks.

2. During the summer months living conditions in our homes are seriously below that which is considered normal for human habitation. During that time of year we must decide between (a) opening our doors and windows to escape the heat or, (b) keep the windows and doors closed to reduce the 401 noise, but suffer the heat. With either decision the result is frustrating. A more detailed description of what the noise from the 401 causes in our homes during summer is as follows:

Bedrooms facing the highway are seldom used. When the temperature gets to a point at night when most citizens can open their windows, we must resort to either sleeping in our basements or remaining in

our bedrooms and staying awake because of traffic noise.

Several people must use tranquillizers in order to sleep at night, and many various conditions experienced by our residents are no doubt caused by noise and no sleep. Because of noise, our children have grown accustomed to shouting instead of talking in normal, audible tones. Hearing a telephone ring, listening to the telephone caller, and hearing radio and television with open doors and windows is almost impossible because of traffic noise.

To summarize: The increased noise from the 401 highway has caused our living conditions and our health to deteriorate to the point where our neighbourhood is tantamount to a depressed area. Not owning the proper facilities in which one can live a normal life is difficult enough, but when one has adequate facilities available to satisfy his needs and these facilities are denied him because of traffic noise, the result is frustration.

Now the solution suggested:

We will be satisfied with any practical method or device that will reduce the noise to a tolerable level. The most practical appears to be a sound barrier that will run on the south side of Highway 401 between Dixon Road and Kipling Avenue. Our request is therefore that a sound barrier be erected in the area described above. We want the sound barrier completed during the summer of 1971.

And then the next heading is:

Verification of the noise from Highway 401:

In order that the government can verify that the living conditions described above do exist, we invite the hon. Charles MacNaughton to visit any of our homes at his convenience.

Now, the last heading is:

Your reply to this request:

The government's decision should be communicated to L. A. Braithwaite, MPP not later than 30 days from his reading of this petition in the legislative assembly.

And then they have a space for the dating of the presentation, June 24, 1971.

Mr. Chairman, there are over 100 people who are affected by the widening of this particular highway in this particular area, as I have said. They have asked me—as I mentioned earlier—to bring this matter to the attention of the minister. The minister, Mr.

Chairman, wrote me on the 22nd and he made reference to the fact that this—this is the sound barrier made of earth embankments, concrete walls and a combination of the two—this experimental barrier is being located on the south side of the Dixon Road to the east of the 401 on the right-of-way. And he made mention of the fact, also, that nothing would be done until this survey is completed and the wall has been built, etcetera.

Now I understand from the news article I referred to earlier that it will not be until October 15 that this experimental wall will be completed. What I would like to know from the minister is, first of all, does he have any particular—or does his department have any particular policy in mind—not only for this area, but for the areas in Ontario in general where highways are deteriorating the life of people who live close to them?

Could the minister tell me at this time if, since I wrote him on April 22, he has had any communication, or perhaps some of his officials might be able to tell us? What position is he in to make a reply to the petition that I have read into the record?

**Hon. Mr. MacNaughton:** When I reply I shall simply tell them that the reason that we are building this experimental sound or noise barrier in the area is to determine whether it will effectively stop the noise pollution that is concerning them. We are not sure whether this will do the job yet and that is why it is being undertaken on an experimental basis.

We do not know, for instance, whether the height that it is being built to is sufficiently high to do it. We have no way of measuring this until we undertake an experimental project. We have indicated this to numbers of groups who are similarly concerned—and they are not all located in Toronto. I think we have made observations to groups in Hamilton who are recently concerned and I think as recently as today, I received a letter from a Hamilton group.

**Mr. Braithwaite:** I am sorry. I did not—

**Hon. Mr. MacNaughton:** I said I believed that as recently as yesterday or today I received a letter from a group of Hamilton ratepayers who are similarly concerned but there is not much point in extending the construction of these until we have determined whether they will successfully reduce the noise so this is the purpose of this experimental project. We will learn from this, shall we say, whether they are being built to a



sufficient height, what the noise reduction factor will be and also whether it is the best type.

This is not the only one. We have several other types. Are there some being built elsewhere or do these—

**Mr. McNab:** No, there are three or four types.

**Hon. Mr. MacNaughton:** There are three or four types in this experimental project. They vary so we can determine how to deal with the problem that is concerning the people who have approached you. There is really not much use going on with it until we understand whether it will be effective.

**Mr. Braithwaite:** Mr. Chairman, perhaps I might remind the minister of the night, sometime in April, when his department presented its plans for the area south of the Dixon Road, the area that is referred to in this article in the Star, the area that I had discussed with his predecessor. His officials with meters and various other paraphernalia were able to show the assembled group of citizens there that evening that the sound barrier planned for this particular highway at this particular place would effectively reduce the noise problem almost in half.

This is the same area, this is just across the road, and if it is planned to do this—well, it is not only planned, the contract is out—it is going to be done south of the Dixon Road; all I am saying to the minister is does he have to wait until he sees how this experiment works out? Can he not do something now for the area east of Highway 401, north of Dixon Road?

**Hon. Mr. MacNaughton:** I think not. I would rather think that those who made those observations expressed the hope it would reduce the sound.

**Mr. Braithwaite:** Oh, I think they were more definite than that, Mr. Chairman.

**Hon. Mr. MacNaughton:** Nevertheless, we want to prove it first, and before we get on with any further construction, we want to prove the extent to which the experimental project will help. Then we will know what should be done. I think this is quite a sensible approach to it.

**Mr. Braithwaite:** Well, Mr. Chairman, I intend to send the minister a copy of this brief, but I wonder if he can give us some sort of undertaking at this time that once the

results of the various experimental projects have been determined, these people can have some sort of hope that there will be some action taken to rectify this matter in the not too distant future. I do not mean 10 years from now.

**Hon. Mr. MacNaughton:** I think that is fair. I would doubt the wisdom of proceeding with an experiment project such as we are experimenting with if we did not intend to pursue it. Once we have made the discoveries that we hope to discover, it is our intention in these particularly noise-prone areas to develop these noise barriers. There is no question about it.

**Mr. Braithwaite:** The minister must realize that what has happened here is that the noise of the highway has been magnified and brought closer to these properties because the highway was widened. In other words, these people were here before the highway was widened. For that reason I wonder if the minister can give me some indication at this time that I can refer to them as to when they might expect some sort of relief.

**Hon. Mr. MacNaughton:** I guess, with regret, I have to say they may have to live with it for a while. It is going to take some time. The construction of this experimental barrier has just commenced. It is going to take some time to complete it, and I would doubt whether we could go about it on a broad scale within the confines of the budget that is available to us now. But it is our intention, once we find the type and form that works properly and does reduce the noise effectively, to extend the programme.

**Mr. Braithwaite:** Could these people then hope for relief, say, by next summer?

**Hon. Mr. MacNaughton:** Mr. McNab, is that a possibility?

**Mr. McNab:** It is possible. It is certainly possible.

**Mr. Braithwaite:** Well, are there any plans? I know that it takes time even to prepare the contract. I want to get something fairly definite I can tell them. Possible is not definite.

**Hon. Mr. MacNaughton:** I think the hon. members puts us in a difficult position to be specific in terms of the time factor. It is our intention to proceed with this in our highway programming where this is a problem, but to be specific is a bit difficult. I think we had

better suggest that as soon as it is possible, we propose to put this into our programme.

**Mr. Braithwaite:** Could I ask the minister then to assure me when the budget for this department is being considered for the next session, assuming that there is no change in government, that his department will make provision for this?

**Hon. Mr. MacNaughton:** That is a safe assumption; I think you are safe on that.

**Mr. Braithwaite:** Well, I am not so sure that the minister will be here.

**Mr. B. Newman:** The minister is not going to run.

**Mr. Braithwaite:** In any event, I just want to make certain—

**Hon. Mr. MacNaughton:** You will hear it from me when that happens.

**Mr. Braithwaite:** —that there will be some provision in the budget for this type of work. It is great to talk about plans, but I want to be able to say definitely to these people that the minister himself has said that his department has these experimental barriers in different places in Ontario and that it is proposed in next year's budget that some provision will be made for the particular area the petition covers. Can the minister give me that assurance?

**Hon. Mr. MacNaughton:** Yes, I would be prepared to state that their particular request will receive some special attention.

**Mr. Braithwaite:** Fine. The last point, Mr. Chairman, is that some of these people have heard a lot of the hon. minister. They would like to meet him personally. Since it would give the minister a chance to sell his department and so on, Mr. Chairman, would it be possible for an appointment to be set up so that these Kingsview-Camperdown Silent Nighters—I believe it is a Mr. Bruce—

**Hon. Mr. MacNaughton:** I have never met a Silent Nighter; I would be delighted.

**Mr. Braithwaite:** You like that name? Patrick Bruce, I believe you know him personally.

**Hon. Mr. MacNaughton:** Who?

**Mr. Braithwaite:** Patrick Bruce. There is a W. McKee and there is a Mrs. Mary Luksys,

and a Mrs. Carley McKee. These people comprise the committee. I know that they would like to meet with the minister if it can be arranged, if an election is not called too soon, to, perhaps, give him their personal views. I am asking the minister at this time: if I write him can such a meeting be set up?

**Hon. Mr. MacNaughton:** Yes, it can. I will put my communications hat on at that point.

**Mr. Braithwaite:** Your communications hat on, eh?

**Hon. Mr. MacNaughton:** Yes, I will wear my communications hat.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Yes, Mr. Chairman, I want to discuss the problems of the city of Niagara Falls—compensation for the loss of taxes. I have a newspaper clipping here from the Buffalo Courier Express, Thursday, May 20, 1971. I will refresh the minister's mind here in a moment.

#### A TWO-NATION AUTHORITY URGED ON BRIDGE POLICY

The suggestion was made by Charles MacNaughton, Minister of Transport of the Province of Ontario. He went on to say: "Ontario is joined to five American States by 14 bridges and one tunnel." He said that eight separate autonomous commissions in Ontario operate the crossings. . . .

Therefore the minister suggested the answer might be an international authority with federal, state, and provincial representation, to set out and apply a policy on tolls, financing and maintenance of all bridges.

I was rather concerned at this when I read in the estimates here, that the city of Niagara Falls receives some \$12,000 taxes—I guess this is for the concessions that are under the Rainbow Bridge at Niagara Falls.

I was just wondering if the minister is aware of the agreement between the town of Fort Erie and the Buffalo and Fort Erie public bridge authority? This is the authority appointed by the federal government here on the Canadian side and by the New York State authority's government on the other side. These gentlemen are all appointed and this is a new agreement that they have here with the local municipality. The agreement runs for seven years; it was renewed last year,



1970. They received some \$80,000 plus local improvement rates. In 1976 the town of Fort Erie will receive \$83,500 plus local improvement rates.

I just have to question the discrepancy here for the city of Niagara Falls which, I think, is under a bridge authority too. Why is this bridge not assessed under The Assessment Act like it is in the town of Fort Erie?

**Hon. Mr. MacNaughton:** That is a good question. There is some difficulty with respect to each and every bridge authority in the province.

To get back to your first observation: that is the reason why we responded to the Prime Minister of Canada of the day, Mr. Pearson, who asked the government of Ontario to pursue a policy which would set up one international bridge authority, joint with Canada and the various states in the United States, to have a uniform policy of bridge operation and maintenance and associated matters, all across—take the 14 bridges if you wish. International crossing under one jurisdiction, one authority.

The brief has been prepared in The Department of Economics; it has been submitted and it is being considered right at this moment.

The brief was just completed recently because we had to undertake an examination of each authority and I would suggest that the manner of operation and all related matters of each authority is very different. They are set up under a variety of forms but the financing side involves a trust deed, or an indenture, that sets out the terms under which they must operate in the interests of their bondholders. There seems to be different legislation authorizing the establishment of bridges in each locality. Each one has to go through the process of obtaining federal approval at both the Canadian and the American level, and in each one they are different. So this is what has led to this rather thorough investigation on the development of proposals contained in the briefs that are being examined right now.

It will take some time probably to move in there because of various aspects of relationships, in terms of the legislation. Let us use Ontario versus New York State, if you wish, where there are a number of bridges. Each bridge has a separate piece of legislation, federal-provincial or federal-state. Each one has a different type of trust indenture which sets out the matter of ensuring the

interests of the bond holders. So it becomes a very complex situation but, as I suggest, the brief has finally been written.

Then when you examine that, you come back to the legislation that has been passed to provide some form of revenue from provincial funds in these instances. To use the Niagara Falls bridges as an example, there is a joint commission there. The members are jointly appointed half by the governor of the State of New York and half by the Province of Ontario.

They do not tax the approaches to bridges on the American side so that they, in the joint interests of the bridge, argue very vigorously that the bridge cannot be assessed for taxation purposes on the Canadian side; so the alternative then makes it necessary for the introduction of bills to pay something in lieu of taxes. This is why it is done. Hopefully, if the proposals that have been developed and submitted are feasible, then in terms of new legislation, province and state may find a way of resolving these very vexing problems.

**Mr. Haggerty:** What is the revenue of the Rainbow Bridge? Would you have that?

**Hon. Mr. MacNaughton:** I would, but I do not have it here. The utilization of those revenues is restricted by the trust indenture, to which I have referred, in the interest of the bondholders, and quite rightly so. That is more of an American requirement than it is a Canadian requirement, because they finance the bridges on the American side by revenue bonds which are tax free. These conditions are all written into the indenture and, of course, they must be lived up to until some form of legislation changing that provision can be arranged for or agreed upon.

**Mr. A. Johnston (Parry Sound):** Until the bonds are paid off.

**Hon. Mr. MacNaughton:** Until it is paid off. The bondholders have to have the bridges' obligations paid off so that the funds generating from revenues accrue, first of all, of course, to the operation, maintenance and construction of additional facilities in the first instance on the capital side and the maintenance side. It is required to set up any surpluses from operations in a particular fund for the retirement of the debt. It is possible, under the one bridge authority that I am familiar with, that a call for redemption of bonds can be made in any year when there are surplus funds, but we are very rigidly controlled as to the expenditures of funds



and revenues that are generated by the bridge or bridges under that authority. In other words, our hands are tied.

Being a lawyer, the member for York East would understand why that has to be. The trustees have to be satisfied before any surplus funds can be distributed. When they do approve, in surplus form, above and beyond the continuing capital and operational needs of the bridge, then they can only be spent in terms of a call for redemption. This takes place and the bond's indebtedness is reduced, the bond indebtedness is accelerated so that

there will be a large value of bonds retired before the maturity date.

The other singular thing is that once the bridge becomes debt-free, then a number of other peculiar things happen, which results in no funded allowance at all for maintenance.

**Mr. Chairman:** It is now 6 o'clock.

**Mr. Haggerty:** I want to pursue this further, after we resume.

It being 6 o'clock, p.m., the committee took recess.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Transportation  
and Communications

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Thursday, June 24, 1971 14 1971  
Evening Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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## LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, JUNE 24, 1971

The committee resumed at 8:07 o'clock, p.m., in Committee Room No. 1.

ESTIMATES, DEPARTMENT  
OF TRANSPORTATION  
AND COMMUNICATIONS

(continued)

On vote 801:

Mr. Chairman: Mr. Haggerty.

Mr. R. Haggerty (Welland South): Yes; thank you, Mr. Chairman.

If I can gather my train of thoughts, this concerns the city of Niagara Falls and the compensation for the loss of taxes. Before the break, the minister was discussing the agreement. I wonder if he could inform me when that bridge will be paid for. The agreement goes back to 1941, I believe.

Hon. C. S. MacNaughton (Minister of Transportation and Communications): That is quite possible.

Mr. Haggerty: That is 30 years.

Hon. Mr. MacNaughton: I cannot give you precise figures because I do not know, but I think there has been some refinancing done in the interval, so I cannot tell you when the full indebtedness expires. I can get the information, I do not have it at my fingertips.

Mr. Haggerty: You say it was refinanced?

Hon. Mr. MacNaughton: Well, they have issued more than one series of bonds which mature at different times.

Mr. Haggerty: It is 20-year life, or 20 years is it not?

Hon. Mr. MacNaughton: That may be correct, but as I seem to recall it they have had to issue another series of 20-year bonds which would extend the bonded indebtedness term.

Mr. Haggerty: Well going back to the matter of the Fort Erie Peace Bridge authority, would you not agree then that this is a very good agreement? I mean when a municipality is given \$80,000 taxes this year,

and I believe it will be about \$83,000 in 1976—

Hon. Mr. MacNaughton: Well if you are making an attempt to compare the bridges under the Niagara Falls Bridge Commission and the Fort Erie Peace Bridge, I have to suggest to you that it is a different situation. There is one bridge only under the authority of the Peace Bridge Commission and there are three bridges under the other. So there is more than one municipality affected.

You are quite right, I think, that the Peace Bridge by statute receives a grant in lieu of taxes, I believe, of about \$80,000. That is in lieu of taxes which might have been assessed against the approaches to the one bridge on the Canadian side.

But when you come to Niagara Falls there are three bridges. And at one time by statute—it was an old statute, going back to the year 1941—that statute provided for an annual payment of \$12,000 from 1941 through to 1980. That was under The Rainbow Bridge Act; at that time I think that was the only bridge there.

Mr. Haggerty: The International Bridge, I think that is the one for vehicles and trains also. That is the older bridge. I believe it is called the International.

Hon. Mr. MacNaughton: One of the bridges fell down, of course.

Mr. Haggerty: Yes, that is right, that was the Honeymoon Bridge.

Hon. Mr. MacNaughton: Well, it was either the Whirlpool Rapids Bridge or the Lewiston-Queenston Bridge.

Now then in 1966 we negotiated—and I was a party to it—with the city of Niagara Falls and the township of Niagara because the Rainbow Bridge is situated within Niagara Falls, the Whirlpool Rapids Bridge is in Niagara Falls, but the Lewiston-Queenston Bridge is in the township of Niagara.

And there was an Act introduced in the session of the Legislature in 1967 under which a payment was made of \$144,000 for

the Whirlpool Rapids Bridge and further annual payments of \$35,000 are authorized up to and including 1980. There was one payment of \$144,000 which was a catch-up payment and then there is \$35,000 authorized annually up to and including 1980. That is for one of the bridges.

And then under The Lewiston-Queenston Bridge Act, 1967, which was introduced and passed and proclaimed at the same time, a payment of \$80,000 was paid to the township of Niagara to catch up for four years of non-payment and annual payments of \$20,000 are authorized up until 1980.

So I do not think it is discriminating, because at that point in time all they got was \$12,000 a year for the commission which had under its jurisdiction three bridges, while the Peace Bridge was receiving \$80,000. So I think in fair comparable terms, what we did was bring the Niagara Bridge Commission up to comparably the same level as the Peace Bridge.

**Mr. Haggerty:** Well it is quite a way from it, I think.

**Hon. Mr. MacNaughton:** Actually it is not.

**Mr. Haggerty:** Well I see, but it is only \$12,000 for this particular one at the city of Niagara Falls.

**Hon. Mr. MacNaughton:** It was \$12,000 in total, but those Acts were amended to provide for these other bridges. That Act also runs from 1941 to 1980. It was not amended and it was not requested. It was requested that some assistance be provided for the other two bridges and that was done. But it is all one bridge commission.

**Mr. Haggerty:** Okay, I see your point there.

**Hon. Mr. MacNaughton:** It is not discriminatory at all, in my opinion.

**Mr. Haggerty:** It is in the sense that the Peace Bridge at Fort Erie has been assessed on land value and on construction, that is buildings.

**Hon. Mr. MacNaughton:** Well these payments are based on what assessment would have produced.

**Mr. Haggerty:** The main point I want to bring to the minister's attention is that you are suggesting there be perhaps one authority across the 14 bridges that join with the five American states, and my concern is that I hope they do not meddle in the Fort Erie

area. I think they have an exceptionally good agreement there and before you suggest any changes you should consult the municipal authorities on it, that is the mayor and council.

**Hon. Mr. MacNaughton:** Well we can consult them, but I do not know how you would deal with it in those terms and have one international authority for 13 bridges and exclude the other one. I would not know how that could be done.

**Mr. Haggerty:** It is working out very well.

**Hon. Mr. MacNaughton:** It may be working out very well, but I see no reason why it would not work equally well as one of the 14 bridges under the same authority.

**Mr. Haggerty:** I doubt it, I think we have to disagree on that. But I hope that when you are thinking about these things that you do consult with them. Actually it is, I think, under the authority of the federal government now and the Buffalo Port Authority. I think they have a share—

**Hon. Mr. MacNaughton:** On the federal side.

**Mr. Haggerty:** Yes.

**Hon. Mr. MacNaughton:** On the federal side.

**Mr. Haggerty:** Yes, that is right; and actually it has nothing to do with the Province of Ontario.

**Hon. Mr. MacNaughton:** Oh yes it does, on the provincial—

**Mr. Haggerty:** It does, does it?

**Hon. Mr. MacNaughton:** Yes!

**Mr. Haggerty:** What investment do you have in it?

**Hon. Mr. MacNaughton:** I am not familiar with that, I am not on that commission. I am familiar with the other one.

**Mr. Haggerty:** The Peace Bridge was built by a group of shareholders and after the debt was paid off—

**Hon. Mr. MacNaughton:** Then if you are correct, you should be directing your questions to the federal government.

**Mr. Haggerty:** I am only going by what I read in the newspaper.

**Hon. Mr. MacNaughton:** Well you cannot always believe the newspapers, but if as you say it is under the authority of the federal government on both sides, then you are talking to the wrong person, you will have to talk to the federal authorities. That was the level of government that proposed we undertake a study to amalgamate all the bridge authorities in the Province of Ontario.

**Mr. Chairman:** Mr. Gaunt.

**Mr. M. Gaunt (Huron-Bruce):** Mr. Chairman, I want a little direction really. I have a number of things I want to raise and I just wonder if I can raise them under this vote?

First of all, I want to talk about the use of salt.

**Hon. Mr. MacNaughton:** That would be maintenance.

**Mr. Gaunt:** Maintenance? All right.

**Hon. Mr. MacNaughton:** The next vote actually.

**Mr. Gaunt:** The signing problem?

**Hon. Mr. MacNaughton:** I believe it is under maintenance too. The next vote, Mr. Gaunt.

**Mr. Gaunt:** Next vote; and what about the Port Dover Bridge?

**Hon. Mr. MacNaughton:** Construction!

**Mr. B. Newman (Windsor-Walkerville):** Do not mention that.

**Hon. Mr. MacNaughton:** It is working, it is working very well.

**An hon. member:** Who won the bet?

**Hon. Mr. MacNaughton:** I do not know, I never heard who won the pool.

**Mr. Gaunt:** I never heard either. They did not make an official report.

Interjections by hon. members.

**Mr. E. W. Martel (Sudbury East):** They used the money to get the bridge to work?

**Hon. Mr. MacNaughton:** No, no; they used those for charitable purposes on behalf of the Kinsmen Club.

**Mr. Chairman:** Have you other matters, Mr. Gaunt?

**Mr. Gaunt:** Yes. One other matter, as a matter of fact. Where would I talk about

the planning with respect to a highway network system?

**Mr. J. E. Stokes (Thunder Bay):** Some other department.

**Hon. Mr. MacNaughton:** Vote 803.

**Mr. Gaunt:** Vote 803; that would come under 803 as well!

**Mr. Martel:** Treasury!

**Hon. Mr. MacNaughton:** No. You are out of context again. You know better, too.

**Mr. Gaunt:** And the designation—

**An hon. member:** He keeps interpreting you literally!

**Hon. Mr. MacNaughton:** No, no. He is out of context in terms of specific and broad planning.

Interjections by hon. members.

**Mr. Chairman:** Order, gentlemen. Mr. Gaunt.

**Mr. Gaunt:** And the designation for development road—803?

**Hon. Mr. MacNaughton:** Municipal roads branch, which vote is that, Mr. Chairman?

**An hon. member:** That is 802, is it not?

**Hon. Mr. MacNaughton:** Yes, the next vote.

**Mr. Gaunt:** I have all my matters clarified for the moment, Mr. Chairman.

**Hon. Mr. MacNaughton:** I am sorry, Mr. Gaunt, it is 803 again; I am sorry.

**Mr. Gaunt:** Vote 803 again.

**Mr. B. Newman:** Yes, Mr. Chairman, I wanted to ask the minister about the St. Clair Parkway Commission vote. Are the moneys here allocated for any extension of the parkway?

Are they allocated for ancillary facilities in connection with the parkway such as golf courses and parks themselves?

**Hon. Mr. MacNaughton:** Up to this point they will be allocated for facilities within the park jurisdiction. It is quite fair to assume that when they have completed the work in the section that is prescribed they may well consider expanding it. They may well consider extending the length of it. That is a possibility.



**Mr. B. Newman:** And in that development, what percentage is paid for by the municipalities?

**Hon. Mr. MacNaughton:** For capital I think it is 25 per cent, and for maintenance I believe it is 50 per cent. I stand to be corrected, but I think that is right.

**Mr. B. Newman:** Why is not that total expenditure absorbed by The Department of Highways?

**Hon. Mr. MacNaughton:** For a variety of very good and sufficient reasons. At the onset of the development of the legislation establishing the commission, meetings were held with the municipal authorities from that area—the mayor of Sarnia, the warden of Lambton county, the reeves of the townships bordering on the St. Clair River—and they proposed there should be some participation by local authority.

It is divided; I do not just have the participation. I think the city of Chatham even participates at about 7.5 per cent. The county participates at—what is it? But the participation is divided on a percentage basis of the capital and the maintenance requirements to which they contribute. They share that on a percentage basis among the county, the city of Sarnia and the affected municipalities, including the city of Chatham.

**Mr. B. Newman:** Is there any consideration of any plans for an extension of the Blue-water Highway, a facility that will be totally financed by the province, extending into Kent county, Essex county and then going around the lake? The minister is fully aware what I am referring to.

**Hon. Mr. MacNaughton:** Yes, I am.

**Mr. B. Newman:** A nice road, so that it could be used by our own Canadian and Ontario residents.

**Hon. Mr. MacNaughton:** The Blue-water Highway, which is Highway 21 I believe, runs down to Lake Erie and I believe it is through the town of Ridgetown, so that is a highway alignment now.

What extensions may develop would not be extensions of Highway 21. It would have to be a new facility. That may be in the offing.

**Mr. B. Newman:** Is there any planning at all for a highway that would come down from Sarnia, follow the St. Clair River, follow Lake St. Clair in through the Windsor,

Amherstburg and around, eventually ending up at the falls?

**Hon. Mr. MacNaughton:** Yes, it is in the long-term planning, but I have some reason to doubt that we can anticipate it in the early staging, because we have not completed the work in the section that was established just a few years ago.

**Mr. B. Newman:** I personally would not care for it to be accelerated under any fashion. I think there are other items with more priority than that road.

**Hon. Mr. MacNaughton:** There are also, I would add, plans to extend northerly, as a matter of fact.

**Mr. B. Newman:** But I think that there should be fairly extensive planning in case we ever need some type of works project we could use as a means of overcoming some of the unemployment, if necessary.

I wanted to ask of the minister if, under highway research, I could discuss the E. C. Row Expressway and the transportation grants at that stage, or would you prefer that later?

**Hon. Mr. MacNaughton:** I think it would be more orderly to pursue that under vote 803.

**Mr. B. Newman:** That is quite all right. I will do it then. The only reason I asked that was I noticed transportation research is directly in this vote and I thought possibly we could discuss it there.

**Hon. Mr. MacNaughton:** I think it would be better to pursue it under the planning vote.

**Mr. B. Newman:** All right.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** I think this concerns property acquisition. There is an article in the St. Catharines Standard here and I am rather amazed at it. It says, "10-foot Strips Taken—"

**Hon. Mr. MacNaughton:** That is in vote 803, too, I might remind you, Mr. Chairman.

**Mr. Chairman:** Pardon? Yes, road construction and property acquisition.

**Mr. Martel:** Mr. Chairman, I have a couple of items I want to discuss with the minister.

**Hon. Mr. MacNaughton:** As long as it is just two I am happy.

**Mr. Martel:** You are being very nasty. I have not been up yet, you know.

**Hon. Mr. MacNaughton:** I am not being nasty.

**Mr. Martel:** I am about due.

**Hon. Mr. MacNaughton:** Not really.

**Mr. Martel:** There was a book, the report on an inquiry, called "The Metal Culvert Industry, Ontario and Quebec" and the final paragraph of this indicates—I will just quote it, it is very brief:

The commission concludes that the arrangements revealed in this inquiry had the effect of restricting competition unduly in the trade in metal culverts in Ontario and Quebec, and consequently are against the public interest.

Has DHO done any work in analyzing or assessing how much in excess they were charged by the companies as a result of the practice of fixing the prices?

**Mr. A. T. C. McNab (Deputy Minister):** Much of the material used by—I forget the government department—the Restrictive Trades Practices Commission, was supplied to them from our files.

The investigation that we made indicated nothing tangible, that we could put our hands on, that would lead us to believe that we could prove any overpayment, or payment in excess of what the material was worth, and this was pretty much the same findings as the commission's.

**Mr. Martel:** Has there been any significant change then in any of the practices by these companies in their dealings with the DHO as a result of the investigation and the findings?

**Mr. McNab:** I do not believe so. We are still calling tenders. We still call tenders for all this material. It is competitive in that sense. It is competitive as far as we are concerned.

I would suggest that certainly there was not enough to establish a conviction on the part of the federal authorities and we were unable to establish any position where we could take any action beyond what we have taken.

**Mr. Martel:** I read with interest where they attempted to partially blame, I believe, The Department of Highways for them having to resort to the tactics they were resorting to, in the sense that they are apparently undercutting each other to get DHO contracts.

**Mr. McNab:** Is there anything wrong with that?

**Mr. Martel:** No, no! I am not suggesting there is anything wrong with that. I am just saying the companies themselves tried to shift part of the blame from themselves for what they were doing to DHO. There is something wrong with that.

**Mr. McNab:** What they really do in these circumstances does not affect prices or costs too much. It is a collusive effort to contain the business within a certain group, more than the—

**Mr. Martel:** Than prices.

**Hon. Mr. MacNaughton:** More than the price thing, that is right!

**Mr. McNab:** In setting these up, and I have read quite a bit about them, not only in our own area but in others, the owner—in this case the government—in this process has been the beneficiary of lower prices. And they never quite succeeded—not in this particular case, I do not know enough about this—in establishing a point where they had control. The government body got the advantage of this. We stepped in and the cartel or whatever it was was broken up.

**Mr. J. L. Brown (Beaches-Woodbine):** Was there a legal opinion from your department?

**Mr. McNab:** Oh yes; and not only our department but also The Department of the Attorney General.

**Mr. Martel:** What in particular was against the public interest then? I must be misinterpreting this. They say very strongly here it was against the public interest.

**Mr. McNab:** I could give you my interpretation of that, but I think it would be better if we called on our eminent counsel, Mr. Crosbie.

**Mr. D. A. Crosbie (Assistant Deputy Minister):** My recollections of the general tenor of these reports from the combines investigation branch is that it is against the public interest to allow any industry which controls their product, or the product pricing, to continue to control it.

We have found that in a number of instances. As the deputy minister has suggested, we were not able to prove that they had yet reached a position where they were taking advantage of the control. The suggestion is that if they can control it this will be

the inevitable result. Therefore, it is against the public interest to allow them to establish that type of control.

I think you will find in that culvert case it was very interesting. They tried to do this, if you will legally, because they obtained legal opinions as to how far they could go in setting up what might be called a legal control. I guess they just went over the line on it and this is when the investigation people moved in feeling that the public interest was being jeopardized. I think it is just this matter of being able to control the price.

**Mr. Martel:** Fine!

**Mr. Brown:** Could I ask a question? What specifically led you to advise that there was not a legal procession for the department? What you are saying now would indicate that there was not a case for the government, or for this department. I did not understand why you would come to the conclusion there was not evidence—

**Mr. Crosbie:** There was evidence of an arrangement to control, that may have led to the control of the price. But there was not any evidence that in fact the control had got to a stage where the department had suffered. And we did not feel that we could prove any loss. That presumably would be the basis of your claim—you would try to show that by some fraudulent arrangement they had taken advantage of a situation.

**Mr. Brown:** Is there not some prohibition against collusion?

**Mr. Crosbie:** You are talking now about the offence under The Combines Investigation Act. That is in the federal hands. I do not believe they have proceeded with any charges in this case.

**Mr. Brown:** Was that on recommendations from DHO?

**Mr. Crosbie:** No, what happens is when these reports are submitted by the director of the combines investigation branch, they are then reviewed by the federal Department of Justice, and that is the department which determines whether or not there will be a prosecution.

**Mr. Brown:** How do you work with them?

**Mr. Crosbie:** They work generally very closely with us in reviewing any material we may have, but when it comes right down to making these decisions the federal government works alone. We are not really a party to this.

These type of reports are produced, and we do not even know when they are coming out. It is a very secret type of operation.

**Mr. Brown:** You were in agreement with the legal people on the federal level?

**Mr. Crosbie:** We were not consulted by the federal legal people, so I do not know what their position was.

**Mr. Brown:** I see.

**Hon. Mr. MacNaughton:** In fact they do not ask us for opinions, they just ask for information.

**Mr. Brown:** If you had felt there was some basis on which they should be stimulated to take action, you would have pressed them, would you?

**Hon. Mr. MacNaughton:** I do not know that it would have been up to us to do that. We provide all the information that is available. It is up to them to make the decision. It does not fall within our jurisdiction to do this, frankly.

**Mr. Brown:** What if you felt there was a strong case?

**Hon. Mr. MacNaughton:** We have other methods of dealing with these situations ourselves through the prequalification procedures, and they are applied sometimes too.

**Mr. Brown:** You mean you just eliminate them as suppliers?

**Hon. Mr. MacNaughton:** We can reduce their ratings. This can happen and it reduces their ability to bid for business. That is as punitive as we can make it, really.

**Mr. Brown:** Was that in fact done in any of these situations?

**Hon. Mr. MacNaughton:** No, it was not in this case because there was not substantial evidence to indicate that it should be, but there have been cases when ratings have been reduced.

**Mr. Brown:** Was there any threat to do that in this case?

**Hon. Mr. MacNaughton:** In the construction field there is relationship, though. If they are practising collusion to restrict bidding on construction contracts, then their ratings are involved, or could be.

**Mr. Brown:** Was there any threat in this case to do that, or suggestion?



**Hon. Mr. MacNaughton:** In certain cases, or cases I can remember there was no threat, it was just done.

**Mr. Brown:** But not in this instance.

**Hon. Mr. MacNaughton:** No, not in this instance. It is quite possible to suspend a qualified bidder from bidding for a period of time.

**Mr. Martel:** A couple of other items I want to raise. There is a considerable drop in the estimate for 1970 and 1971. What accounts for this?

**Mr. P. J. Yakabuski (Renfrew South):** What item is that?

**Mr. Martel:** Data processing. \$733,000 down to \$550,000.

**Mr. McNab:** We changed our system to re-cost much of the total bill for data processing to the various user branches and departments. In other words, the way it was handled previously, it was all centralized. Now it is charged against the user. So for the benefit of everybody concerned they can see the total cost of a particular function.

**Mr. Martel:** Okay. That is fine. I did not understand why the drop if they were continuing along that field.

**Mr. Yakabuski:** Were you in the habit or practice of doing that previous to these estimates of charging it back to the various departments?

**Mr. McNab:** Well there is so much charged to the administration branch. No, we did not do that before.

**Mr. Yakabuski:** I was under the opinion that you did. You do the data processing for all branches of government?

**Mr. McNab:** No, not in this.

**Mr. Yakabuski:** You do not? It is in the computer operation that you do.

**Mr. McNab:** Well some of it is a computer operation. We do some of the scientific work for other government departments and that always has been.

No, it has not been charged, either. Under the new system it is charged to the function requiring the service.

**Hon. Mr. MacNaughton:** That is under the programme planning budgeting system now, so that it is charged where the function is employed.

**Mr. B. Newman:** Mr. Chairman, can I—

**Mr. Chairman:** Same point?

**Mr. B. Newman:** Not on this point, but on one of the votes here.

I wanted to ask the minister if there is any research being undertaken in his department concerning the US talk of a bridge across Lake Erie? It periodically comes in the Detroit papers, and whether it is simply a political ploy on the part of our Yankee friends or not, I do not know. Has the department been in touch with the people in the state of Ohio, and what is the status of it now?

**Hon. Mr. MacNaughton:** I would say we have never been in touch with them, they have been in touch with us. That happened when I was formerly in Highways, when Governor Rhodes got a lot of publicity just prior to an election.

**Mr. B. Newman:** There are still comments about it.

**Hon. Mr. MacNaughton:** Yes, it comes up every once in a while.

**Mr. Yakabuski:** Every four years!

**Hon. Mr. MacNaughton:** But I put it to him at that time that if we had a thousand priorities, that would be 1001. We have many other things to do in the province before we participate in a bridge across Lake Erie.

**Mr. B. Newman:** Could you not convince him, maybe, Mr. Minister, to put it across at his own expense?

**Hon. Mr. MacNaughton:** We did. He came up here with a whole battery of advisers at one stage of the game.

**Mr. B. Newman:** He could not see your point of view on it?

**Hon. Mr. MacNaughton:** I do not think he cared whether he saw our point of view. We offered him all the facilities at our command so he could investigate them. We offered him that service, and he appeared before television—and gave me a pair of cufflinks, as a matter of fact. It was very nice of him. But the cufflinks did not buy a bridge from us, I can tell you.

**Mr. B. Newman:** I hope they were solid gold and not gold plated.

**Hon. Mr. MacNaughton:** No, they were not even silver, as a matter of fact. I think they were made of aluminum or something.

**Mr. B. Newman:** Those Yankee traders.

**Hon. Mr. MacNaughton:** They had a state of Ohio crest on them.

**Mr. B. Newman:** But your department has been approached by them, and you discount that immediately, do you? You have given a sympathetic ear only.

**Hon. Mr. MacNaughton:** We do not discount it from his point of view. We have suggested to him that if he wants to build a bridge it is fine with us, but we will not participate.

**Mr. B. Newman:** Okay.

I wanted to ask of the minister also while I am discussing research, if he has undertaken any studies to the feasibility of a bridge—vehicular and passenger both—from Amherstburg to Bob-Lo over to the US as a different route going into the United States?

**Hon. Mr. MacNaughton:** Yes, that has been proposed once or more in brief form and by representation. I will assume the deputy minister can answer it precisely. I presume it has been examined in research but at this point in time we have not programmed any such facility.

**Mr. B. Newman:** Is it the pressure from your department or is it American pressure that is on for that type of—

**Hon. Mr. MacNaughton:** It is not from the department. There is some pressure from the area surrounding Amherstburg but—

**Mr. B. Newman:** I see. How about the Americans? Are they seriously interested in it or not?

**Hon. Mr. MacNaughton:** I cannot think of any representation that has been made by American authorities.

**Mr. B. Newman:** It is solely Canadian representation then?

**Hon. Mr. MacNaughton:** Am I right?

**Mr. McNab:** There have been no official—

**Hon. Mr. MacNaughton:** There has been no official representation from the American side at all.

**Mr. B. Newman:** Thank you, Mr. Minister.

**Mr. L. C. Henderson (Lambton):** Amherstburg would be mostly Liberals.

**Hon. Mr. MacNaughton:** Unfortunately, yes.

**Mr. B. Newman:** The whole area is out there.

**Hon. Mr. MacNaughton:** Oh now; you cannot compare Saskatchewan with Ontario.

**Mr. Martel:** You said that about Manitoba, too.

**Mr. Chairman:** Mr. Stokes.

**Mr. Stokes:** Thank you, Mr. Chairman.

I have one brief comment to make under this vote, but before doing so, I want to say something to the minister now that he will appreciate, I think. I was going to bring it up under vote 801, but everything was being shifted to 803 so if I wait to 803 there just will not be time. I want to compliment the minister on the recent map that he put out on northern Ontario. I think it is by far the greatest effort by way of mapping and transmitting information to the public that anybody has ever done, especially in this government.

**Hon. Mr. MacNaughton:** I do hope this is being recorded.

**An hon. member:** More, more!

**Mr. Stokes:** Every time I talk to somebody who has seen it they are of the same opinion. As a matter of fact, I had the pleasure of distributing them to five visiting school teachers today. Congratulations, Mr. Minister, when can I get some more of them?

**Hon. Mr. MacNaughton:** Would tomorrow be soon enough?

**Mr. Stokes:** Thank you, that will be fine.

**Hon. Mr. MacNaughton:** I can get them for you tonight if you are stuck. There is service for you! We have a few for you now.

**Mr. Stokes:** Thank you. There is \$400,000 in this vote for development roads. Could you elaborate on—

**Mr. Chairman:** That is vote 802, I believe.

**Mr. Stokes:** Vote 802? We are on 802.

**An hon. member:** We are on 801.

**Mr. Stokes:** My previous remarks were appropriate then, and I will wait until 802.

**An hon. member:** You can say them again if you like.

**Mr. Stokes:** To make sure they are on the record?

**Mr. Chairman:** Vote 801 carried.

**Mr. Stokes:** Everybody back here was of the opinion we were on 802.

**Mr. Henderson:** Is 803 carried?

**Mr. Martel:** I would like to make a couple of more comments.

**Mr. Chairman:** I thought you were completed.

**Mr. Martel:** No, the member for Windsor-Walkerville jumped in and, being the gentleman that I am, I yielded the floor.

**An hon. member:** We are keeping track. This will be four now.

**Mr. Henderson:** Which one, vote 802 or 803?

**Mr. Martel:** No, this is the third one.

**An hon. member:** You said two more.

**Mr. Martel:** I was advised about a year ago, in fact during the last estimates and in the estimates the year before, that there was a plan coming out—like the big white plan, you know, the four that you have got already—for northern Ontario. Has that been completed?

Interjection by an hon. member.

**Mr. Martel:** You know, the regional plans. We have four of them—one for London; one for the Carleton area I believe; one for Niagara; you had four of them. I asked when one for northern Ontario was coming forth.

**Mr. McNab:** Where in northern Ontario? Is it the Sudbury area you are referring to?

**Mr. Martel:** I asked about northern Ontario.

**Mr. McNab:** No, we break down northern Ontario. The main part is Sudbury and then—

**Mr. Martel:** When will it be ready?

**Mr. McNab:** This year.

**Mr. Martel:** In the foreseeable future you mean, like—

**Mr. McNab:** Oh, yes!

**Mr. Martel:** Not as quickly as the maps, I presume.

**Mr. Yakubuski:** Not before either.

**Mr. Henderson:** Not during your term of office.

**Hon. Mr. MacNaughton:** In your own words, in the foreseeable future.

**Mr. Martel:** I suggest maybe not in my term of office as a backbencher.

**Hon. Mr. MacNaughton:** Then it may not be in the foreseeable future.

**Mr. Martel:** Well I suspect we should go and call the election tomorrow.

**Hon. Mr. MacNaughton:** You may have a very short-lived future.

**Mr. Martel:** You might just try calling an election. We would welcome it.

**Mr. Chairman:** Have you another question, Mr. Martel?

**Hon. Mr. MacNaughton:** I do not call elections; not me.

**Mr. Martel:** I hear you were his personal adviser—at least during his campaign for the leadership.

**Mr. Chairman:** I just wondered—

**Mr. Martel:** Mr. Chairman, if I could continue the question—

**Hon. Mr. MacNaughton:** What vote does that come under?

**Mr. Martel:** —after all these interjections, I wonder if I could continue.

**Hon. Mr. MacNaughton:** The hon. member invites interjections.

**Mr. Martel:** You guys are really worried, are you not?

**Hon. Mr. MacNaughton:** Not very.

**Mr. Martel:** Call an election and you will find out.

**Mr. Brown:** There is a lot of anxiety over there.

**Hon. Mr. MacNaughton:** There is still some business to be done on behalf of the people of the province.

**Mr. Brown:** Saskatchewan shook you.

**Mr. Martel:** You know, you should have started thinking about that when you were spending \$800,000 for an advertising campaign and people were unemployed. You might have assisted the people—



**Mr. Chairman:** Order, Order!

**Mr. Martel:** —or resolved the housing crisis in the Sudbury area.

**Hon. Mr. MacNaughton:** I will stay in order too.

**Mr. Martel:** Mr. Chairman, last year I tried to get from the department a breakdown of how many of the jobs in those four plans were supposed to be started by the 1970 fiscal year, and the Chairman ruled me out of order. He said, "You cannot raise these one by one." Thereupon I sent your own list back to you and asked, almost a year ago, that I be advised which of these plans that had been designated to be under way by 1970 actually got under way. I waited a year; I still do not have a reply to that letter.

**Mr. Chairman:** Mr. McNab.

**Mr. McNab:** I find it difficult to understand why the member was not after me again. I would have welcomed it. There is absolutely no reason why you should not have that information; it is public information and we would be most happy to provide it for you—not only that, the reasons some of them did not make the programme.

**Mr. Martel:** It is interesting. When I first got this from you, it took about six months to acquire.

**Mr McNab:** I must be getting old.

**Mr. Martel:** This was on February 27, 1969, and most of the jobs were going to be started by 1970, according to the plans.

**Mr. McNab** I got married that year.

**Mr. Martel:** I knew there had to be a reason.

But as I say, I followed the Chairman's suggestion in the House when he refused to allow me to ask about each of these individually; and I am still awaiting the answer about the various projects.

One last point, Mr. Minister: I am still somewhat miffed that a department of this magnitude, and spending this much money, spends so little money on research. I think this year it represents about .003 per cent of your budget—\$1.9 million or something like that of a budget valued at \$543 million. It really does not indicate very much being spent, as far as I am concerned at least, with respect to research.

I realize there are connections—you work with other agencies, including federal people in the United States—but my concern is as it always has been; as the deputy minister knows I express the same concern every year.

The fact is that, particularly in northern Ontario because of the frost and the moisture and so on, we have never been able to build roads in northern Ontario that stand up to any degree of wear and tear. After five or six years, despite the fact it might be renewed, everything starts to deteriorate very quickly. We can blame it on weather; we can blame it on frost and water. I have made requests for the last three years that we use slag. Now I talked to some of your people in Sudbury recently and they felt slag would be first-rate but rather expensive because of the weight in moving it. Is this the reason we have never moved to at least use slag as the base?

**Mr. McNab:** Well, I could comment on that, Mr. Chairman, but we have Mr. Adcock, the assistant deputy minister, engineering here, and I think he would be better.

**Mr. H. W. Adcock** (Assistant Deputy Minister, Engineering): The extreme cost has been the prime reason. Gravel is not that scarce in the areas where slag is reasonably available. Slag is extremely dense and costly to move, of course, and in the member's area there is generally a pretty fair supply of gravel. So we have not gone to the slag because of the cost of transportation.

**Mr. Martel:** Right, but if you balance the original cost against the maintenance—when you realize that maintenance is running at \$161 million. The railroads are now hauling the slag up to 1,500 miles for their own use.

Now of course it is cheaper for them to move—I appreciate that—but the very fact that the rails do not shift or shift very little in winter despite the frost because of the great drainage the slag provides, and the fact that it allows for a certain amount of expansion because of the space within the slag itself and that you can have expansion even when it freezes without the upward push that occurs when waters in the soil freeze—you know because of the capillary action and everything else.

When you weigh that against maintenance, that runs at this price of \$160 million in the budget this year, and in looking toward the long run where we could build roads possibly

that would last much longer without having to start tearing them up, is this not a feasible proposition?

**Mr. Adcock:** You are assuming first, sir, that all that maintenance money is spent because of frost action and that is certainly not the case. That is a small proportion of our maintenance effort.

Secondly, good gravel really should not perform any differently than slag. The capillary action that you referred to should not take place in properly graded gravels any more than they should in slag.

**Mr. Martel:** Why would the railroads then haul it 1,500 or 1,600 miles?

**Mr. Adcock:** I have no idea.

**Mr. Martel:** Have you talked to them at all—

**Mr. Henderson:** They are not part of our Tory government.

**Mr. Martel:** Well, could you not discuss with some of their chief engineers the reason they are using and carrying slag that distance?

**Mr. Adcock:** I was not aware they were carrying it that far.

**Mr. Martel:** It is past Armstrong, is it not?

**Mr. Stokes:** Well past Armstrong.

**Mr. Martel:** The ONR is using it. We were told the other day they are using it from another mine in the—

**Mr. Adcock:** The member is assuming too that railroads do not have frost-heaved ties when we know very well they do on roadbeds.

**Mr. Martel:** Right; I am saying they do, but what I am saying is that they have been able to reduce their work force because there is much less shift—I am not going to say there is none. In the rails there is less tendency to shift, necessitating less upkeep or maintenance than previously and that is why. I spoke to their engineers recently. They maintain it is because the drainage is much improved so that you do not have the shift, and consequently you do not need as many men and maintenance costs are not nearly as high.

**Hon. Mr. MacNaughton:** I would suggest another probable good reason is that most of the railway companies have access to the sources of slag and they also have the facilities to carry it over their rights of way.

**Mr. Martel:** Right, I appreciate that; they go right into Coppercliff and—

**Hon. Mr. MacNaughton:** They do, and they go right into the Adams mine and they go into a lot of places served by the ONR. They only need it on their own rights of way and they have the facilities to carry it—copper-bottomed cars and everything else—which makes it much more feasible and economical for them to use it than if you have to pick it up by truck and haul it over other surfaces.

**Mr. Martel:** Oh right. You could also haul it by railroad to other destinations as well if you wanted to do so. I am just wondering about the feasibility of trying it at least and seeing how durable it would be.

**Hon. Mr. MacNaughton:** Well you are interested in research to start with, that is what prompted you to make this observation. I think maybe Mr. Armstrong could comment because he directs our research programme.

**Mr. M. D. Armstrong (Director of Research):** Mr. Chairman, I would just like to comment generally on this whole question. I think it is necessary to point out that the type of structure on which rails are carried is very different to the type of structure we are attempting to provide for highways. There are definite reasons why the railways use the type of ballast they do to carry their rails, but as Mr. Adcock has pointed out they still have very severe maintenance problems.

**Mr. Stokes:** To keep their ties out of the mud for instance.

**Mr. Armstrong:** Yes, it is the same old thing, but there really is not any magic about slag as far as road construction is concerned and if it was the most economical material we would undoubtedly use it.

**Mr. Martel:** I am not suggesting that it would be the most economical, I am not suggesting that for a moment. What I am merely suggesting is if the railroad has been able to utilize it effectively and is continuing to use it more and more then possibly we could build roads using this if it is that good and would last much longer before we have to get into heavy maintenance costs in those areas where there is rapid deterioration despite frequent maintenance.

That is what I am talking about. I am not suggesting bringing it to southern Ontario.

I am also suggesting it can do another thing. Instead of having gravel pits, great holes in the ground, that if we started to



utilize slag from the various mining industries we would get rid of those eyesores and also be rid of the eyesores of the holes in the ground.

**Mr. McNab:** It is a matter of economics. The rail carriers go right into the mines. Now one of the things they are finding with gravel over the years is they have to go quite far afield to get it.

When you start handling gravel twice, when you start loading it into trucks and hauling it to a railhead and loading it into cars it becomes extremely costly. I think each time you handle it, it will cost you—without just loading it—it is going to cost you 25 or 30 cents a ton, and they are running out of deposits close to the rail lines.

With the slag they are right there servicing the mines. We find, for instance, the haul is so much that gravel in parts of Ontario up around where the member for Huron-Bruce comes from, I guess, is about 55 or 60 cents a yard laid down on the road and compacted.

Down around Windsor it is around \$2.25 or \$2.50, and this is all haul. So it is a tremendous difference. This could triple the cost of a granular base job, triple or quadruple it, so it is really a big factor.

**Mr. Yakabuski:** Mr. Chairman, I suggest it is a matter of slag heaps being more accessible to locomotives than gravel pits. It boils down to that as far as I am concerned.

**Mr. Martel:** Well, only to some extent.

**Hon. Mr. MacNaughton:** There is a railroad man here who I believe has some knowledge of this, too, so we should be asking him these questions. Your own colleague can tell you that.

**Mr. Martel:** Well, I spent five and a half years on the road.

**Hon. Mr. MacNaughton:** Well, you should know about it too.

**Mr. Haggerty:** I understand there is a contractor in the Sudbury area building roads in Sudbury with slag. I mean it is a lot better to put it into building roads than taking it out to some lake, dumping it and creating a pollution problem; and I can think of Hamilton especially. They are dumping slag from the steel plants there and the landfill is going on into the Hamilton Bay. We will soon have that filled in if somebody does not put a stop to it, and this material could be used for road building.

**Mr. McNab:** At tremendous cost!

**Mr. Haggerty:** They have got to get rid of it somewhere.

**Mr. Chairman:** Vote 801 carried?

**Mr. Martel:** Mr. Chairman, I am still on research.

I read an interesting paper by a Professor Osler and I would like to ask the gentleman in charge of the research if there is any way of getting the salt they are talking about into the soil because apparently it reduces the heavage in the soil. Is this being worked on?

**Mr. Armstrong:** Many attempts have been made to reduce frost heaving by injecting materials into soils. Some of these are successful, but unfortunately most of the materials you can afford to use leach out of the soils so the effective life of the treatment is very short.

**Mr. Martel:** I just came across this and thought I would ask. Again I just want to make one point, Mr. Minister.

**Hon. Mr. MacNaughton:** You are up to seven points you know.

**Mr. Martel:** That is number seven. I have for years been asking and suggesting the department spend more on research. I just think the answers to highway problems, in construction and so on, are only going to come through research, and the minimal amount now being done compared to the whole budget really boggles the mind.

**Hon. Mr. MacNaughton:** I draw to the hon. member's attention that we get a great deal of research from our participation in certain associated organizations. It has a new name now, it used to be the Canadian roadbuilders' association or Canadian Good Roads Association, the Ontario good roads association. We contribute grants, as do all jurisdictions, be they municipal or provincial, right across Canada, to the Canadian Good Roads Association or whatever it is called now, and we obtain a great deal of research there.

It is joint research that is conducted by all jurisdictions. So if we do not spend as much on it as you see here, we contribute to the cost, as do all municipal, provincial and federal jurisdictions at that level, and it is research oriented and we get a great deal of useful research out of it because it is combined research.



**Mr. Martel:** Last year the committee visited Downsview, and it was a very pleasant visit. I talked to a number of people in research and none of them would have objected if they had more money for research.

**Hon. Mr. MacNaughton:** Well of course they would not.

**Mr. Martel:** They would love to get their hands on a little more green stuff to do certain things in research.

**Hon. Mr. MacNaughton:** I say to the hon. member, I would not object either if we had a little more money for everything.

**Mr. Martel:** I am suggesting that ultimately that is where your money is going to be saved, through your research.

**Hon. Mr. MacNaughton:** It is not as easy to rationalize as that.

**Mr. Martel:** Well the solution has not yet been found for deterioration of roads. What I am saying is that more money has to be expended in finding a way of constructing roads that will last longer. That is simply what I am trying to drive at; you are going to have to spend money to do it.

**Hon. Mr. MacNaughton:** I do not know that it is as necessary as you say. I would say we also participate in the discussions from time to time with representatives of the American Association of State Highway Officials and we get a great deal of research input at that level; and that encompasses another broad area of jurisdiction.

**Mr. McNab:** We also exchange information on muskeg and construction with the Russians who have similar terrain.

**Mr. Martel:** Yes, I asked about that last tour. In fact I submitted some material to your predecessor and asked for some more information on this. What is it, the process of electrolysis that they are using, with the cables underneath the highway to minimize the amount of moisture, thus reducing, of course, the amount of heave once it freezes. Has anybody gone to see that, Mr. McNab?

**Mr. McNab:** I would have to refer to research.

**Mr. Armstrong:** No, nobody has been to see it; but we made enquiries through Russian representatives in Ottawa and drew a complete blank on it. It was assumed, in our view, to be sensational technical writing

if you like, with no real substance to this report.

**Mr. Martel:** Well I have written to Russia three times to try and get more data, but they have referred me to the congress in Japan that was held a year ago, and the papers in Russian.

**Mr. Yakabuski:** Try Trudeau!

**Mr. Henderson:** They are all coming to Ontario, if they want better roads.

**Mr. Martel:** Well I just suggested new ideas, that is all.

**Mr. Stokes:** On a point of information, did you not use it on one occasion up at Steel River when you could not find bottom?

**Mr. Armstrong:** That was rather different, that was a drainage process.

**Mr. Stokes:** That was for driving piles?

**Mr. Armstrong:** That was drainage by an electrical process; it is a very well established process for dealing with difficult ground during construction. You extract the moisture by electrical methods. But this was rather a different thing. It was very difficult to understand, although we did our damdest to try to visualize what the report meant. We could not, nor could we get any further information on this system.

**Mr. Martel:** Have you done any work with respect to what the results would be with paved shoulders? I drove through Nova Scotia last year and their main highways in Nova Scotia and New Brunswick have paved shoulders right to the edge. There is the yellow line you are not allowed to go over. Would that not reduce the amount of moisture that would get into the—

**Mr. McNab:** That was 90 per cent federal money.

**Mr. Martel:** Ninety per cent federal money? Was none of that money—I realize they did not give us as much on our portion of Highway 17, but I do not see any of the shoulders paved either. They just did not give us enough to offset—

**Mr. MacNab:** No. It has not been our standard practice. It has been a matter of economics. We wanted to get on with finishing roads; we are now paving shoulders on quite a few more of the more heavily-travelled roads, we are getting a start at it. It is a matter of economics.

Mr. Stokes: Manitoba has them.

Mr. MacNab: That is right.

Mr. Stokes: Is that federal money too?

Mr. McNab: On the Trans-Canada, yes. But they only got the same amount, percentage-wise, as we did. We weighed the cost of maintenance against the actual cost of constructing the paved shoulders.

Mr. Martel: It was strictly economics?

Mr. McNab: Economics. But maybe Mr. Adcock could add a little bit to that.

Mr. Adcock: Yes sir, we have recently carried out studies on this question of paved shoulders vis-a-vis the maintenance of a gravel shoulder. The paved shoulders will run somewhere in the neighbourhood of \$35,000 to \$45,000 a mile. The grading of the gravel shoulder, and the sweetening up, if you like, of gravel every so often when it gets blown away, is infinitesimal compared with that over years and years and years of maintenance. Our present standard is that when we exceed 20,000 to 25,000 vehicles per day on a particular paved highway the shoulders will be paved. But as the deputy has pointed out, this is primarily a matter of economics.

Mr. Martel: But with a built-up road, I should say elevated somewhat, and paved shoulders, would this not reduce the wear and tear as a result of frost?

Mr. Adcock: Yes, we believe that this will definitely be a help, paved shoulders will be a help.

Mr. Martel: Right, well this is the sort of—

Mr. Adcock: But the paved shoulders will have to be paved with the same material. We have had problems where we have paved shoulders—you may have noticed on the Toronto bypass—with an asphalt against the concrete, you have differential movements in the soil and so on; so we are thinking that the pavement will probably have to be of the same type on the shoulder as it is on the roadway.

Mr. Martel: Yes, well I just wanted to say, when we come to reconstruction I am going to make a real pitch for this sort of thing on the roads going to northern Ontario, because it would improve the transportation side.

Mr. Adcock: We would like to pave all our shoulders.

Mr. Martel: In Nova Scotia there were only two lanes but they have these outside shoulders and traffic never slowed down. When you came up behind a transport truck he simply pulled over and he let you by. This is a big hazard in northern Ontario; there is no place to get by.

Mr. Adcock: I might say that that can be a very dangerous situation.

Mr. Martel: Well there are signs up; they have signs all over.

Mr. Adcock: We have noticed situations on the prairies where this happens and they have had some rather horrendous accidents because of this happening.

Mr. Henderson: Nice shoulders are nice anytime. Paved or otherwise.

Mr. Martel: You think so?

Mr. Chairman: Vote 801 carried?

Hon. Mr. MacNaughton: It is a good time to carry it after that comment.

Mr. Gaunt: No Mr. Chairman, I am seeking information really. When the minister changed, I believe you already had a number of maps printed and then you did another run, incorporating the change of the minister.

Hon. Mr. MacNaughton: Right.

Mr. Gaunt: How many maps were done the first time and how many did you do the second time? Would you have any idea?

Mr. Henderson: Enough for the occasion.

Hon. Mr. MacNaughton: I cannot answer that question. The information would be available, of course, but we do not have the right people here.

The first run was certainly fully utilized and I do not think the second one would be more than are required. But I cannot tell you how many.

Mr. Gaunt: How many do you usually print in the course of a year?

Hon. Mr. MacNaughton: I think about a million, or 1.5 million.

Mr. B. Newman: That is a big difference, 1 million or 1.5 million.

**Hon. Mr. MacNaughton:** All right, 1.5 million.

**Mr. Gaunt:** A million and a half during the year?

**Hon. Mr. MacNaughton:** We do not print them.

**Mr. Gaunt:** Are they printed all at one time? It is spread out over the course of the year. The point I was really getting at—

**Hon. Mr. MacNaughton:** There is a reason for it, of course. In the course of a year there can be changes made and a second run permits you to make changes.

**Mr. Gaunt:** So then you really did not print any more than you would have printed in the normal course?

**Hon. Mr. MacNaughton:** No. The first run was not a big one. I do not know the numbers, but they are available.

**Mr. Gaunt:** I just thought you might have a few surplus maps, and since they are a very good map—

**Hon. Mr. MacNaughton:** You can get maps. If there are any old ones left you can have those; if you prefer new ones they are available.

**Mr. McNab:** It all depends whose name you want on it.

**Mr. Gaunt:** Would you happen to have an extra 50?

**Mr. B. Newman:** Why do you put a date on the map, Mr. Minister? You could use it the following year, or get rid of it the following year.

**Hon. Mr. MacNaughton:** Well, we do change them every year. We add to our roads system and it is prudent to put the road additions and changes on the map.

**Mr. B. Newman:** That is all right, but if you take an American who has come travelling from Windsor through to Montreal, he does not need anything other than 401, so why date it?

**Hon. Mr. MacNaughton:** But many other people do.

**Mr. B. Newman:** Well that is all right, but you could still put out a certain number undated and you could use them to carry on for the next year if necessary. There is no need in dating everything in there. I get

stuff from The Department of Health; the name of the member for Ontario (Mr. Dymond) on it yet. Boy, if that is not a horrible waste of overprinting and money!

**Hon. Mr. MacNaughton:** I can assure the member we do not overprint maps. We are in a position to determine within a pretty approximate figure how many maps we need. They are not overprinted. There is very seldom any surplus of any consequence left.

**Mr. B. Newman:** How many do you print? Can you give me a figure as to the number you print?

**Hon. Mr. MacNaughton:** Mr. McNab just did give you one.

**Mr. B. Newman:** He said 1 to 1.5 million. How many do you print?

**Hon. Mr. MacNaughton:** He said 1.5 million. He changed it.

**Mr. B. Newman:** He said 1 million to 1.5 million. Now what is the exact number?

**Mr. McNab:** What year?

**Hon. Mr. MacNaughton:** I said before to your colleague—

**Mr. B. Newman:** How many are you contemplating to print this present year?

**Hon. Mr. MacNaughton:** I have indicated to the member for Huron-Bruce that I cannot answer that question because I do not have the information.

**Mr. B. Newman:** You have budgeted for it. You budget well in advance as to how much you are going to spend so you know how many you contemplate printing.

**Hon. Mr. MacNaughton:** I say to the hon. member that I do not know.

**Mr. B. Newman:** Your officials should know.

**Hon. Mr. MacNaughton:** The information is available. The official who looks after that is not here.

**Mr. B. Newman:** Do you mean to tell me the deputy minister does not know?

**Mr. McNab:** It is a large department. I have the record in my files. I cannot carry all those things in my mind.

**Mr. B. Newman:** That is just really sloppy if you cannot come along and tell me now how many you intend to print, when you are



going to print from 1 million to 1.5 million. That is a heck of a lot of money.

Interjections by hon. members.

**Mr. B. Newman:** When you get officials in your department who cannot answer a simple question like that! You must be overprinting because you are still distributing 1970 maps.

**Hon. Mr. MacNaughton:** Nineteen-seventy maps?

**Mr. B. Newman:** Yes, 1970.

Interjections by hon. members.

**Hon. Mr. MacNaughton:** I would say to you, Mr. Chairman, that if the hon. member is going to explode over an issue, I would sooner have him do it on this one than a variety of them.

**Mr. B. Newman:** The thing is, Mr. Minister, you certainly have to date all of your maps, because you cannot give out the 1970 maps in 1971. Yet, if they were not dated, you could still distribute them in certain areas.

**Hon. Mr. MacNaughton:** We like to distribute updated information.

**Mr. McNab:** Could I give the answer to the member?

**Mr. B. Newman:** Sure.

**Mr. McNab:** Would you like just one year or back to 1963?

**Mr. B. Newman:** If you want to, go back to about 1954 or to Hepburn's day! Go ahead, if you want to be sarcastic.

**Mr. McNab:** I am not. I just wondered how many you wanted.

**Mr. B. Newman:** That kind of a remark from you was uncalled for.

**Hon. Mr. MacNaughton:** Mr. Chairman, I rather resent this type of criticism of the deputy minister because it is not fair and it is not appropriate.

**Mr. B. Newman:** His kind of remark was uncalled for.

**Hon. Mr. MacNaughton:** It was not. He asked you how much information you wanted.

**Mr. B. Newman:** He asked me if I wanted to go back to 1963. I asked, for 1971 how many you contemplated to print.

**Mr. McNab:** We printed 2,237,000 in 1970. We printed them in three printings and we

have not a total this year because we will not know until we see what the demand is.

**Mr. B. Newman:** You could have given me that earlier.

**Mr. McNab:** I did not have the cards here.

**Mr. B. Newman:** Oh, you finally found it!

Interjections by hon. members.

**Mr. Chairman:** Mr. Deacon.

**Mr. B. Newman:** I still think that some maps should not be dated if you are going to overprint them.

**Mr. Chairman:** Order please!

**Mr. B. Newman:** Because all departments overprint.

**Hon. Mr. MacNaughton:** I just want to say, Mr. Chairman, I disagree with the hon. member.

**Mr. B. Newman:** That is your point of view. I still maintain you overprint.

**Hon. Mr. MacNaughton:** All right.

**Mr. D. M. Deacon (York Centre):** Mr. Chairman, we do not agree with the minister at all times—

**Hon. Mr. MacNaughton:** I do not expect it.

**Mr. Deacon:** I want to find out from the minister what the estimated revenues are from the toll bridges this year and what they were last year and—yes, that is right, last year.

**Hon. Mr. MacNaughton:** You will be referring now to the Burlington Skyway and the Garden City Skyway?

**Mr. Deacon:** If you have a collection cost here, I want to find out what your estimated revenues are against that.

**Hon. Mr. MacNaughton:** Okay. Would the hon. member like to take these figures down?

**Mr. Deacon:** Yes.

**Hon. Mr. MacNaughton:** These are the latest figures we have, of course, because the present fiscal year is not completed. These are for 1970.

**Mr. Deacon:** Nineteen seventy? This is for March 31, 1970, or for the—

**Hon. Mr. MacNaughton:** No, this is for the fiscal year 1970.

**Mr. Deacon:** Right.

**Hon. Mr. MacNaughton:** Burlington Skyway, total revenues, \$1,205,671. It is broken down into revenue classes, if you wish that information.

**Mr. Deacon:** I am not worried about the revenue classes, I am talking about the—

**Hon. Mr. MacNaughton:** All right. The Garden City Skyway, total revenues in 1970, \$735,064.

**Mr. Deacon:** Are there just the two?

**Hon. Mr. MacNaughton:** Those are the only two provincial bridges that are tolled.

**Mr. Deacon:** And 1971? Have you an estimate for 1972, because we have this estimate of cost for—have you an estimate of revenues; or do you not do that?

**Hon. Mr. MacNaughton:** No. If you want to make some comparisons, we can show the change between 1969 and 1970. I have the estimate of revenues here.

**Mr. Deacon:** Have you?

**Hon. Mr. MacNaughton:** Yes, I have it here.

**Mr. Deacon:** What is that, please?

**Hon. Mr. MacNaughton:** The estimate of revenues for 1971 for the Burlington Skyway is \$1,255,000.

**Mr. Deacon:** Right.

**Hon. Mr. MacNaughton:** And for the Garden City Skyway, \$738,000.

**Mr. Deacon:** It does look as if your costs are in excess of 25 per cent of your revenues. Is it worthwhile continuing those tolls in that case?

**Hon. Mr. MacNaughton:** I can give you the cost.

**Mr. Deacon:** The costs are down here. Your collection costs are down as \$694,000 in this coming year's estimates, and on the basis of those tolls you might be up—you probably will not be much more than \$2 million, so you are going to have up to around 35 per cent collection costs unless you raise the tolls.

**Mr. Henderson:** That is a pretty good profit, three for one.

**Mr. Deacon:** I do not think very many taxes—I do not know of any other taxes in the

province that we raise that cost us that much to collect.

**Hon. Mr. MacNaughton:** That is because the tolls are too low, quite frankly.

**Mr. Deacon:** Is it? If you put the tolls higher, then of course you will get a scream from the Burlington Beach people because the traffic would be diverted through there, and from the St. Catharines people because of the traffic on the local roads there. That is what happens when you put the tolls too high. Do you not think we should consider eliminating those tolls?

**Hon. Mr. MacNaughton:** No, I do not actually. There was a very substantial capital investment made when these bridges were built.

**Mr. Haggerty:** They are paid for now.

**Hon. Mr. MacNaughton:** No, they are not paid for. The capital cost will never be recovered.

**Mr. Haggerty:** It cost \$5 million for the one in St. Catharines.

**Mr. Deacon:** I do not think you will ever repay it.

**Hon. Mr. MacNaughton:** Never!

**Mr. Deacon:** But if you are keeping those tolls to provide employment for people, I suppose that is fine. You have to continue to collect the tolls for that reason. But it certainly is an annoyance to motorists, and it is one of the things that contradicts the toll-free road system in this province.

I think for that very high percentage cost—it is going to be close to 35 per cent this coming year. The minister should consider eliminating the tolls on the bridges.

Out of a \$500 million road programme we are talking about net revenues here of \$1.3 million, and it causes a lot of annoyance for people.

**Mr. Martel:** That is how they finance their research.

**Hon. Mr. MacNaughton:** As I mentioned to your colleague, the member for Welland South when we were discussing this earlier, outside of certain truck tolls, the car tolls, for all the number of passengers does not matter. It is only five cents for commuters if they buy tokens and 15 cents for non-commuters if they pay cash.

The other thing I should be drawing to the attention of the committee is that the Burlington Skyway is going to have to be expanded in one form or another very shortly. I believe I am correct on that; it has almost run out of capacity now. It may well have to be twinned in the near future which will involve a very substantial amount of further capital investment.

**Mr. Deacon:** I do not deny that the tolls are very useful—

**Hon. Mr. MacNaughton:** And which will also require—

**Mr. Deacon:** I buy those little packets and they seem to last forever. They are very, very reasonable, there is no question about that. It is a matter of the nuisance for what net revenue we are taking out of it, Mr. Chairman. I suggest to the minister it is an annoyance and it breaks the fact that we do have a toll free road system with those two exceptions in this province. I think it is a programme of which the government can be proud—that they have maintained that—and I cannot understand why they continue to have these tolls for that only.

**Hon. Mr. MacNaughton:** We have toll free roads, you are quite correct, and we do not toll bridges unless there is a toll-free facility side by side. In each of these circumstances there is a toll-free facility. In other words, if you do not want to pay a toll, you can use the old bridge.

**Mr. Deacon:** That is correct. We desire though—our wish to build those facilities was not only to facilitate the movement of traffic, but also it helped the areas that were around there in moving traffic out of those areas which now do not have to bear all the brunt of that movement. I suggest, though, that the minister consider removing it altogether.

**Hon. Mr. MacNaughton:** I would find it difficult to consider that. However, we will review the problem as a proposal. I must say to you, Mr. Chairman, I find it very inconsistent because most of the requests that reach me, even at this committee level, are for more expenditures on the one hand. And here we are, talking about spending more on the one hand and removing some revenues on the other.

**Mr. Deacon:** Mr. Chairman, I agree that it may seem inconsistent. What I am suggesting is this is a very inefficient and annoying form of revenue. Maybe as we learn better

ways of analyzing and planning our highway expenditures, we will not build some of those silly things we have been building down my way in recent years. They have not been done by The Department of Highways; however we have provided the grants, and we probably would have funds for elimination. We could certainly have shown you a few places to save a million or two in our area.

**Hon. Mr. MacNaughton:** Maybe you had better tell that to the local government.

**Mr. D. H. Morrow (Ottawa West):** Such as?

**Mr. Deacon:** Such as the Kennedy Road between Steeles Avenue and Highway 7.

**Mr. Haggerty:** Ask any taxi driver; he will tell you where the money is being wasted here.

**Mr. Henderson:** Mr. Chairman, I might be out of order in my question, but in view of the fact that the hon. member has brought up toll bridges, this is a very interesting thing to me—

**Hon. Mr. MacNaughton:** We are only talking about toll bridges interprovincial. We are not talking about international bridges.

**Mr. Henderson:** Yes, I realize this, but we do have an international bridge commission in the city of Sarnia, very close to my riding, set up by the government at Ottawa and we have asked for financial statements from this commission and we can get nothing. We are told nothing. We are told it is none of our business. The government at Ottawa has been asked in the last 10 days to come out with what the bridge costs to operate and what the profit is and we are told it is none of our affairs. This is happening. The Blue-water Bridge at Sarnia.

**An hon. member:** You have not asked your federal member to find out the information?

**Mr. Henderson:** We have asked the hon. minister concerned and we do not have an itemized statement like we have here in the Province of Ontario.

Interjections by hon. members.

**Mr. Henderson:** We have made several approaches but it is strictly a waste of time.

Interjections by hon. members.



**Mr. Chairman:** Order!

**Mr. J. P. Spence (Kent):** I suggest you go back and try again.

**Mr. Chairman:** Mr. Deans.

**Mr. Henderson:** Well we are trying again. We are going to wait a day or two, though. We will try again.

**Mr. Morrow:** It cost you the election in Saskatchewan.

**Mr. T. Deans (Wentworth):** Mr. Minister, I want to ask you a question in regard to a statement that you made. You indicate it is contemplated that the Burlington Skyway bridge will be twinned. This is something that has been spoken about a number of times, probably ever since it was built, and I understand now that there is the possibility of the province acquiring properties on the beach strip for the purpose of twinning the bridge in the future.

**Hon. Mr. MacNaughton:** That is a possibility.

**Mr. Deans:** I understand that it is not only a possibility but a fact, that it is actually occurring, and the reason I know is because your deputy wrote me a letter and told me. I want to ask you if the province is now pursuing properties on the beach strip or if they are just simply purchasing properties that are already up for sale at this stage?

**Mr. McNab:** No, we are not pursuing it, Mr. Deans. We are watching if it is up for sale or for redevelopment, so that there is not an expensive improvement put on, and then we would have to acquire under those conditions.

**Mr. Deans:** Would I be correct in assuming that the bridge that you build will be built on the lake side rather than on the bay side of the existing bridge?

**Mr. Deacon:** Yes, surely it would be the bay side.

**Mr. Deans:** There is not enough room—

**Mr. Haggerty:** They have been baying out that—

**Mr. Deans:** On the bay side—over the top of the federal environmental control area? It strikes me as I look at it—

**Mr. Haggerty:** The inland waters research centre.

**Mr. Deans:** The research centre, thank you. It struck me as I looked at it that there would not be enough room there, and that you would not have to acquire property on that side because obviously from my recollection of the area—and I think I know it fairly well—there is not a home or a property there on the beach side.

**Mr. McNab:** I think you will find there are some of them on the bay side. I believe so.

**Mr. Deans:** All right. Well, I would say that there are not but anyway I want to ask you one other question: When can I expect a bulldozer to move that dirt on Highway 6?

**Hon. Mr. MacNaughton:** I wrote you a letter on it.

**Mr. Deans:** You did?

**Hon. Mr. MacNaughton:** It is in your mail.

**Mr. Deans:** I can expect that soon, can I?

**Hon. Mr. MacNaughton:** Well, you can expect the letter soon.

**Mr. Deans:** The letter; but they are not going to move the dirt?

**Hon. Mr. MacNaughton:** Well, wait until you get the letter. There is an explanation in there and if it does not suit, you can talk to us again.

**Mr. Deans:** Okay; thank you.

Vote 801 agreed to.

On vote 802:

**Mr. Stokes:** I would like to ask my question on item number five. I notice you have got \$400,000 for development roads. I want to ask about your tertiary roads, but would you mind telling me what a development road is and where the money is being spent?

**Hon. Mr. MacNaughton:** A development road?

**Mr. Stokes:** Yes.

**Hon. Mr. MacNaughton:** Well, a development road is really a form of direct assistance to municipalities above and beyond their normal bylaw work programme. Where the

need can be established for extra assistance, then it is manifested in the form of a development road in townships and in counties. It can become part of the county system but instead of getting the normal rate of subsidy they get 100 per cent of the cost with certain exclusions.

**Mr. Stokes:** It is not a development road in the sense that you are trying to open up the country or provide access to resources, or anything of that nature?

**Hon. Mr. MacNaughton:** No, I would suppose it has a certain element of development within these jurisdictions because it is an old programme. It is not a new one. It has been in existence for a very great deal of time and it has helped many many rural counties and townships to provide for additions to their road system that they could not have otherwise afforded.

**Mr. Stokes:** Is any of it spent in northern Ontario?

**Hon. Mr. MacNaughton:** Actually it is a different programme up there, largely because of the fact that a good substantial portion of the municipalities or townships or whatever they are called are unorganized. Tertiary roads, I suppose, would be the closest counterpart we could find.

**Mr. Stokes:** I see. Now tertiary road 800 is about a 10 or 11 mile stretch leading off Highway 11. We have had considerable difficulty over the last two or three years, both at the local maintenance level and at the district level. I have had considerable correspondence with the regional director up there about this.

The department looks after the road for about 10 or 12 miles off of Highway 11. From there on, it is maintained by Abitibi several miles up in the bush and then Lands and Forests takes over above that and between Lands and Forests and The Department of the Provincial Secretary they provide some money to keep it open during the wintertime and provide the people at Auden with some way of getting out of there.

The condition of the road under the jurisdiction of The Department of Highways is so much worse than that maintained by Abitibi, and any time we ask for some work done on the road I have no end of correspondence about it. Some of the people have just ruined their cars driving that first 10 or 11 miles and all of the representations that we make seem to fall on deaf ears. I notice in the annual

report for the fiscal year ending March 31, 1970, that there was a total of \$125,676 spent on this 12 miles of road. Broken down it is \$56,000 in construction and close to \$69,000 in maintenance. And yet there is very little evidence that there is much done on it other than grading.

I realize that you must go in there—and some of it is built over dead rock, you know; that is that kind of a road and it is going to take a considerable expenditure to bring it up to a reasonable standard. But you are spending a considerable amount of money and there really is no evidence. We have grader operators up there that are scratching like hens trying to get enough gravel to cover over the potholes and take the places of the stones, and it seems ridiculous to me to be spending that much money, year after year, with no improvement in the road. These people up there are deserving of a far better road, and I just use that as an instance.

The road is between Beardmore and Jellison off Highway 11, and I am just wondering if the minister will not undertake to, say, upgrade half of it this year and the other half another year and then he is finished with it for a number of years other than just routine maintenance, instead of spending—what did I say? Of close to \$126,000 on a 12-mile stretch of road. And I think you are doing it every year.

**Hon. Mr. MacNaughton:** Well, Mr. Chairman, you would be interested to learn then that a contract was advertised on May 12 and a contract was awarded on June 9—that is this month—to do what concerns the hon. member for 21 miles, from eight miles north of Thunder Bay northerly.

**Mr. Stokes:** Oh no, we are on the wrong road.

**Hon. Mr. MacNaughton:** No, it is 800.

**Mr. Stokes:** No, we are on the wrong road then.

**Hon. Mr. MacNaughton:** Well, you mentioned Highway 800, so—

**Mr. Stokes:** It must be Highway 801 then. We are on the wrong road then. I thought it was—no, Highway 801. All right, I am wrong with my figures. I am using the figures that you used on Highway 800. Okay, I am wrong.

You only spent \$5,500. Now, obviously there is the reason. You only spent \$5,500 on 12 miles of road, and the condition of that road is just deplorable.

And I have written to your predecessor on numerous occasions, and I have written to people at the district level, and as I say, they are just like a bunch of hens scratching around there for enough gravel, and we have gravel coming out of our ears up there, and it is pretty difficult to explain to these people up there why something cannot be done to improve the roads.

There is a lot of mining activity going on up there; there are pulp camps where people are travelling those roads daily; and then there is the Indian community at Auden. There are hundred of fishermen using that road even north of the CNR at Auden. So actually what you are doing then is spending \$5,500 on 12 miles of road.

**Hon. Mr. MacNaughton:** North of Jellicoe? Is that what you are talking about?

**Mr. Stokes:** Yes. It takes off from Highway 11 just at Nezhah.

**Hon. Mr. MacNaughton:** Well, our traffic counts certainly do not indicate the type of volume the hon. member makes reference to. Let us say we will get some information from the district and see. But out—

**Mr. Stokes:** There are quite a few tourist cabins along that road, you know, commercial operations. There is Camp 40 of Abitibi. I have been up there several times myself; I know what the condition of the road is like, and you certainly can tell the difference between that portion of the road maintained by Abitibi and that portion of the road maintained by the department.

**Mr. McNab:** You are not talking about the Spruce River road, Mr. Stokes?

**Mr. Stokes:** No.

**Mr. McNab:** This is only nine miles long, you know.

**Mr. Stokes:** That is right. And you maintain the bottom nine miles. Abitibi maintains another 40 and then above that again The Department of Lands and Forests to give some access to the people of Auden. And I could show you a file that thick that I have used over the past two or three years, and we just do not seem to be able to get any action.

**Hon. Mr. MacNaughton:** Well, we will try and get to it. That is the best I can say.

**Mr. Stokes:** Okay.

**Mr. Chairman:** Mr. Ruston.

**Mr. R. F. Ruston (Essex-Kent):** Mr. Chairman, I had, under one or two items that I wanted to bring to the attention of the minister, and of course some of these things are left over from the previous minister. One is the subsidy—with regard to municipal subsidies, and the county of Essex resolution sent to your department on February 4, 1971, and to all area members.

The county is strenuously opposing having to accept a number of miles of provincial highways. And the one in particular that was turned back April 1 of this year was Highway 98. I think they would have accepted it with a little better feeling if there had been some work done on it in the past two years, but the condition of the road has really been going down the last two or three years. The shoulders are poor. The general condition of the travelled portion has been cracking up terribly in the last couple of years, as I mentioned. And, have you ever given any consideration when you turn back roads to a municipality and a county that there should be a higher rate of subsidy for a few years until such time as the county can blend it in with their budget.

It is quite a blow to a municipality to receive 50 or 60 miles in one year on top of their regular roads. Is there not some allowance in your road subsidy whereby a municipality can, with the minister's approval, receive a higher rate of subsidy especially under such circumstances as the returning of roads to it?

**Hon. Mr. MacNaughton:** Not necessarily, unless the return of the road imposes a financial burden on the county that is intolerable, and that in our opinion is not the case, in the county of Essex.

**Mr. Ruston:** Well it would depend on what you do to the road. It would be intolerable if they were to fix it up. Then, of course, I suppose they will just have to leave it in its present condition as The Department of Highways left it.

I recall they left it in such a condition that I just noticed—and this has been brought to the attention, I think, of the local area department office in Chatham where there are large dead elm trees three feet or more across on the side of the road, still standing—but who knows when they are going to go down?

They were like that during the winter, and still were not cut and are still there. It is



very dangerous in my opinion, because they all stand on the south side of the road and our predominant winds are southwest, so very easily serious accidents could be caused by them. And that road was just left to go over the last few years, in a terrible state of repair, and then given back to the county.

Now, it seems to me they at least would have done some repairs on it before turning it back. It is deplorable as far as I can see, and I certainly agree with the county in their resolution to you. I think I should just read it:

Therefore be it resolved that the council of the County of Essex strenuously opposes the action taken by the Minister of Highways in transferring the said portions of provincial highways to the local municipalities and the county and the County of Essex, and further to that a copy of this resolution will be forwarded to all the local members of the provincial government and the Minister of Highways.

And that was dated February 4, 1971.

You say that, in your opinion, it is not an extra burden. You are basing this on the amount of mill rate they carry in the county, I assume. Is that right?

**Hon. Mr. MacNaughton:** Yes, the amount of mill rate and the burden they have to assume when they take over the road. I have no reason to believe it is not in good shape. Certainly, for that type of road, it meets departmental standards, and if it meets departmental standards, it should not be too bad for county standards.

It is a redundant road. There is no question about that. There are more roads converging in Essex county on Windsor than in any part of the province.

**Mr. Ruston:** Well that is right, but there is more traffic coming into the City of Windsor than any city in the province of Ontario. You see, with the American traffic coming in on your tunnel and bridge, it is the largest port of entry in the Dominion of Canada.

**Hon. Mr. MacNaughton:** That may be true, but there is a lot of road capacity down there without Highway 98 to handle it too.

**Mr. Ruston:** Port of entry I said.

**Hon. Mr. MacNaughton:** There is all kinds of road capacity in there.

**Mr. Ruston:** So then what you are saying, Mr. Minister, is that there is really no assist-

ance you can give the county with regard to this road?

**Hon. Mr. MacNaughton:** Not that I am aware of. If we had found it below our own standards for that type of road, I suppose we might have considered it, or at least brought it up to county standards. But I do not think we can be expected to build a new road when they are turned back. We need certain standards.

**Mr. Ruston:** We did not ask for a new road. I do not think any one would expect a new road. What about roads such as these that have been turned back, where the county is making application under road development? Some counties seem to have a fair amount of development roads done. I think the hon. member for Elgin mentioned in the House the other day that they had 50 miles fixed up this past year.

An hon. member: Boy, you did a great job.

**Hon. J. W. Snow** (Minister without Portfolio): We have none in Halton at all. Not a mile.

**Mr. R. K. McNeil** (Elgin): We co-operated with the department.

**Hon. Mr. MacNaughton:** The county of Essex is a very wealthy county by comparison with a number of other counties. The county of Essex, by comparable standards is very wealthy.

**Mr. Spence:** So is the county of Elgin.

**Mr. Ruston:** I have to disagree with you, Mr. Minister, our tax rate is higher than other counties now. Higher, in fact, than other counties as far as tax rate on property. I guess that is all I have under this one here.

**Mr. Spence:** Mr. Chairman.

**Mr. Chairman:** Mr. Spence.

**Mr. Spence:** I think yesterday we were talking about safety on our highways.

**Mr. Chairman:** Pardon?

**Mr. Spence:** We were talking yesterday on transport, about safety. I brought to the attention of the minister, the disappearance of the white line in the wintertime, which we all know is a real hazard on foggy nights, on nights with snow, dripping snow and rainy evenings. But the minister said, just as before the deputy minister had said, that it was impossible to restore these white lines during

the wintertime. Yesterday, I asked what it would cost to replace white lines on our highways. The minister said, or the deputy minister said, he would have the figures maybe tomorrow. It is not really necessary, but it would be interesting to me to know what it would cost to replace these lines and also if there is no way of replacing these lines when they disappear until after the frost.

**Mr. McNab:** No doubt that Mr. Adcock will extract that for you.

**Mr. Spence:** Were they going to change the yellow?

**Hon. Mr. MacNaughton:** We are changing to yellow now in certain sections.

**Mr. Spence:** Could the minister inform why it is better? Is it a better colour to see, or what?

**Hon. Mr. MacNaughton:** It is more visible under lights.

**Mr. Spence:** It is more visible. But without the white line it is a dangerous situation.

**Hon. Mr. MacNaughton:** There is no question. I would say that the programme of centre striping and zone painting is under way now, all across the province.

**Mr. Spence:** Mr. Minister, maybe you can give me another figure here. I do not know whether it is under this vote or not. How much revenue do you receive from the service centres across the province on 400 and 401?

**Mr. Chairman:** I do not think that is under this vote.

**Hon. Mr. MacNaughton:** It was under the last vote. I guess we can go back to it.

**Mr. Spence:** Never mind. I will find out in due time.

**Hon. Mr. MacNaughton:** It is probably here some place.

**Hon. Mr. Snow:** The minister had better get it now.

**Mr. Martel:** Do not count on it.

**Hon. Mr. Snow:** I hear that the member is in trouble.

**Mr. Martel:** Am I ever.

**Hon. Mr. MacNaughton:** Total revenues from service centres, the gross rental payable up to June 30, 1971, was \$2,213,000. In

addition to that there is a ground rental payable of \$106,334.84.

**Mr. Spence:** How many service centres?

**Hon. Mr. MacNaughton:** Twenty-three.

**Mr. Spence:** Thank you.

**Hon. Mr. MacNaughton:** They are not all on 401. There are some on 400.

**Mr. Spence:** Yes, that is right.

**Mr. Chairman:** Mr. Martel.

**Mr. Martel:** Mr. Chairman, I wonder if I could find out how many miles of road fall under the jurisdiction of local roads boards; you know, the cost-sharing, two to one?

**Hon. Mr. MacNaughton:** Mr. Wilmot, would you have that?

**Mr. Wilmot:** We do not have that information here.

**Mr. Martel:** The reason I wanted that figure, I have a large number of local roads boards in my constituency.

**Hon. Mr. MacNaughton:** I bet you are happy to have them?

**Mr. Martel:** Oh, very much so. Although it is the only means—

**Hon. Mr. MacNaughton:** They are an improvement over the statute labour—

**Mr. Martel:** That is right. And the additional funds are much appreciated because before it was one to one and now it is two to one. I am not sure if it is still adequate, Mr. Minister, because the standard of road being built is not high. Consequently in the spring, and again this year, you people got a number of petitions because the roads are so bad you cannot even get the equipment in to put gravel on the roads because your own equipment is going to sink in the mud.

This has happened off Highway 637, which I want to come to when we come to construction from Highway 17 east to Highway 69 south. But the local roads boards off of that, there has been considerable problems over the years. Added to that type of problem, Mr. Minister was the great snow removal problem of this past winter.

Have you people any idea how much it costs The Department of Highways, and I must say they did a first rate job. I do not give out compliments very readily, you know,

but the staff of The Department of Highways, their maintenance staff last winter out on the highways did a first rate job, under pretty adverse conditions.

I know that there were days when some of those men were on those trucks and those graders were almost round-the-clock trying to punch holes through the highway and they did a first rate job under pretty trying conditions. So I just want to put that on the record. I have not heard any one else say it, but I think they deserve a hell of a lot of credit because they did it under adverse conditions and it was cold.

But your costs must have been considerably higher?

**Hon. Mr. MacNaughton:** They were.

**Mr. Martel:** And I want to relate that to the local roads board. What has happened, Mr. Minister, in many of the local roads boards is that they had to use up nearly all of their funds, and they are into a bind now. They do not have moneys left for road work because much of which they had has gone to get those roads opened during the winter and to keep them open during the winter. Do you think that the \$1.5 million you have got for all of these local roads boards is going to mean that there is going to be virtually no work done?

**Hon. Mr. MacNaughton:** I do not know. A good deal of the maintenance, both summer and winter, is done by district forces from the district.

**Mr. Martel:** It is done from what?

**Hon. Mr. MacNaughton:** The district forces do the maintenance, I guess, where time and circumstances permit.

**Mr. Martel:** But the people pay; they still take the funds out of what has been raised to pay for the work. And what in effect has happened is they have used so much of their funds this past winter, as I am sure you have had to increase yours by a considerable percentage, that they are not going to have much.

I have four or five letters in to you on four or five different problems right now respecting local roads boards because they need funds just for a wig-wag and a proper grade leading up to the crossing at Burwash that the school bus must use all the time. And the local roads board in Longlac has written to me, which I have in turn written to you about Mr. Jack Latreille. They just do not have the funds left to do any major improvement and

the roads are certainly not up to standard. Because there were insufficient funds given originally, you are going to have more breakdown in these roads than you would in other roads.

I do not know if that amount could be increased— if we could look at it through the local roads board to see if they have the funds—but it is certainly causing some hardship and I have contacted you on three or four instances at least.

The other point, I think, comes to a friend of mine. Sanco got the Highways department contract to do the local roads in Longlac. Apparently he was the only gentleman who bid and he got it, and your officials in Sudbury tell me, Mr. Minister, that during the winter there was more than one occasion when he was off doing private work and DHO equipment had to be used where he had the contract and he was not doing it, and consequently much needed Department of Highways equipment was being utilized. We have had enough trouble with this.

**Hon. Mr. MacNaughton:** I am sure that will be deducted from his contract.

**Mr. McNab:** When Sanco got into trouble—and I think we brought you up to date in regard to that—he lost I think all but \$100,000, was it not, of his prequalification—I think it was \$100,000. In other words he can only bid the amount of work that he could—that \$100,000 will allow—and we had to award him the contract when he was—

**Mr. Martel:** But he flubbed that one, too, then?

**Mr. McNab:** We had problems.

**Mr. Martel:** The sooner he is out of the picture completely—

**Hon. Mr. MacNaughton:** He cannot do much work any more now. He is out.

**Mr. Martel:** Further reduced I hope because no matter where he goes—I do not know if he follows trouble or trouble follows him, but it has that happy faculty of doing it you know.

Well, I do not want to pursue this except that we have some assurance the minister and his staff will probably have a look at the problems many local road boards have.

**Mr. Chairman:** The member for Windsor-Walkerville.



**Mr. B. Newman:** Mr. Chairman, I wanted to ask of the minister what reaction the department had from the resolution originally passed by the City of Windsor on March 8th, 1971, that all urban municipalities in Ontario and the Ontario Municipal Association be requested to endorse the principle that street lighting be considered an item eligible for The Department of Highways of Ontario subsidy.

This resolution was later endorsed by the regional municipality of Niagara as I notice in a communication directed to the member for Welland South, who gave me his copy of the letter. The City of Windsor suggested a 50 per cent subsidy on street lighting installations in new construction projects undertaken by the municipality, not just general but only for new construction from now on. What action did the department take, or what is the department's attitude toward that?

**Hon. Mr. MacNaughton:** Mr. Adcock you can—

**Mr. Adcock:** I think Mr. Wilmot can.

**Mr. C. R. Wilmot (Municipal Roads Branch):** Mr. Chairman, this matter is under investigation. There are some reservations about the proposal to subsidize all street lighting. Obviously some portion of street lighting—and on residential streets I submit almost all the street lighting—is primarily for the protection of persons and property and is not directly and immediately related to the movement of vehicles on a road, and the problem facing us is to separate that lighting which is properly chargeable to other purposes from the lighting which is properly chargeable for the convenience and safety of motorists. As I say this matter is being investigated and I expect before long there will be proposals to the minister on it.

**Mr. B. Newman:** So it is under active consideration then that there may be some chance that some portion of street lighting installations may receive some subsidy from The Department of Transportation and Communications?

**Mr. Wilmot:** I would point out—

**Hon. Mr. MacNaughton:** That is rather general, I think, the question that has been stated by the member for Windsor-Walkerville. As Mr. Wilmot has explained, where they can relate to a highway responsibility, it is under consideration; but where it is for

purposes other than for highways and the relationship to highways, I would have to say it would not be proceeded with.

**Mr. B. Newman:** Well I can understand that. This is on new construction and not anything that has been built prior—

**Hon. Mr. MacNaughton:** Not necessarily that either. I say if they are related to safety factors, it is a possibility. In some situations that is done now, but for purposes other than that I would have to say that is the responsibility of the local municipality.

**Mr. B. Newman:** Well the regional municipality of Niagara makes mention in its communication that it is directed by the C. H. Eidt, professional engineer, director of engineering for the municipality—and this paragraph, I think, covers exactly what you mentioned, Mr. Minister:

Modern methods of lighting road surfaces include the efficiency and safety of travelling that road and should be recognized as vital to the lowering of the accident rate on roads. In urban areas, street lighting is a very important design element because of the increased volumes of traffic, turning movements and pedestrian hazards. Without the provision of street lighting, additional construction costs would be incurred to provide sufficient safety by alternative means such as more expensive alignment and lane widths and this is one of the reasons why the regional municipality endorses the city of Windsor resolution.

And Niagara makes mention that it would fall in line with what Mr. Wilmot suggests.

**Hon. Mr. MacNaughton:** Well, Mr. Wilmot has indicated that the matter is being reviewed now.

**Mr. B. Newman:** Well, I am satisfied with that. As long as you are studying the thing and can come down with some accommodation for municipalities as far as new road construction, I think that is being fair.

**Mr. Chairman:** Mr. Gaunt.

**Mr. Gaunt:** Mr. Chairman, I am wondering about the criteria for development roads. What criteria do you have for designating a certain stretch of road, a development road?

**Hon. Mr. MacNaughton:** Well it is more related to the money factor than the facility itself. At the county road level, by virtue of their ability to raise funds themselves for the cost of maintenance and associated matters,

then they are considered. But once an eligibility for funds for that purpose has been arrived at, the determination is largely left at the county level with the county. If it is a road that is within the desirable county road system, then the counties make the determination. They earn eligibility for so much money for that purpose in any given period, and the way they apply it is their determination as long as the road that they propose to deal with in that manner is part of the desirable county road system.

**Mr. Gaunt:** So, if I understand the minister correctly, Mr. Chairman, a development road that is asked to be designated has to be a part of the county road system.

**Hon. Mr. MacNaughton:** At the county level.

**Mr. Gaunt:** At the county level. What happens in the event that—and I get to specifics now because there is an application before the department in the township of Kincardine—

**Hon. Mr. MacNaughton:** Well that would be a township development. There is a distinction.

**Mr. Gaunt:** What are the criteria then for a township development road?

**Hon. Mr. MacNaughton:** The criteria for a township development road would be related simply to their ability to do it under bylaw, or if not then that type of direct assistance could be considered. I do not know; I cannot speak with any degree of accuracy about Kincardine township. I do not know what their position is, because development roads are a method of providing direct aid over and above what they can do under what is now known as the bylaw programme. That is where they get an allocation of funds on approval of their bylaw which indicates to the department—Mr. Wilmot's branch—what they see as their required spending on roads for the year.

**Mr. Gaunt:** In this particular case, the township is asking for the designation of what they call the Lakeshore Road. The Lakeshore Road is a heavily travelled road now, particularly in view of the Douglas Point development. A lot of the people who are working at Douglas Point use this road.

The road was not in good shape to start with, but it is a lot worse now. To make a long story short, the township simply does not have the resources to improve the road.

Under those conditions they are asking the department for the designation.

I think they spent something in the neighbourhood of \$4,000 on it last year just as a matter of upkeep, gravel and calcium and so on. It is a narrow road and the ditches are deep. It would certainly go far beyond their financial capacity to build that road to the standard to which it should be built, given the traffic that it has to carry. They feel that this is a very important link to Douglas Point for people getting back and forth.

What do they do under these conditions? If the department refuses to designate, how do they cope with the problem? I do not know. All we can hope is that the department will designate it.

**Hon. Mr. MacNaughton:** Mr. Wilmot can explain this in greater detail than I can, but it will be based largely on their financial ability to do it themselves, under bylaw and receive the subsidy for it. It may be that, if that is the case, if they are in a sufficiently good financial position, in those circumstances they might have to forget about some work on another road and do it on that one. This is all formulated. The townships understand the formula very well; they understand. So Mr. Wilmot would you like to comment.

**Mr. Wilmot:** I would just like to point out, sir, that we have asked the district for an appraisal of this road, which will evaluate its present condition and, if improvements are warranted, will estimate the cost of those improvements. Once that information is available to us in head office, we will be able to appraise the request in the light of the financial capability of the municipality.

**Mr. Gaunt:** Then a good deal depends on the debt load of the municipality then, really?

**Mr. Wilmot:** It is not the debt load but their provincially equalized assessment that we study.

**Mr. Gaunt:** Provincially equalized assessment! I just hope that you can see your way clear to designate it, because the township, to my knowledge, has fairly heavy financial commitments, given the pressures that are associated with the Douglas Point nuclear development. The surrounding townships, Kincardine, Port Elgin, and all of that whole area up there is under pretty severe pressure. I just hope that the department can assist in a pretty substantial financial way with this



particular road, because it is used to a great extent.

Incidentally, during the snow storms which we had this past winter, and we had a good many of them as the minister very well knows, this was the only road on which they could get the school kids home. All the other roads were completely impassable, but this was the only one; and there is a good reason for it, because it is very well protected along the lake. There is quite a row of forest and tree lining, and it prevented the road from becoming snowbound. It is a very important matter as far as the township is concerned, and I hope it goes forward rather quickly and we can make a determination as to what the department can do. Hopefully they can go the full way; if not, I am afraid there is going to have to be a pretty substantial shift in priorities on the part of the township. This will simply mean that the other roads in the township will have to go; they will just be put off until they have the money.

**Hon. Mr. MacNaughton:** Let me say first that Mr. Wilmot has given you the basis upon which the determination will be made, and when the appraisal of the road is made and the extent to which the costs could be determined, as well as the relationship of those costs to the ability of the township to do it, then we will know whether they are entitled—and I use the word “entitled” to that type of financial assistance.

I should point out to the hon. member that Hydro made a very generous grant to those areas for certain purposes—

**Mr. Gaunt:** That is quite true; I know that.

**Hon. Mr. MacNaughton:**—and I would like to assume that has been taken into account and applied to the road system that is involved in transportation to and from the Douglas Point plant.

**Mr. Gaunt:** Well some of it has.

**Hon. Mr. MacNaughton:** Some of it?

**Mr. Gaunt:** Some of it has, without a doubt.

**Hon. Mr. MacNaughton:** These things will all have to be calculated in determining the eligibility on the basis of financial capability, and that is what we are working at now, to that determination.

**Mr. Gaunt:** Right. And do you make that determination?

**Hon. Mr. MacNaughton:** Yes.

**Mr. Gaunt:** Do you do the costing analysis on the road?

**Hon. Mr. MacNaughton:** Yes.

**Mr. Gaunt:** They do not have any financial obligation there?

**Hon. Mr. MacNaughton:** No, we make those determinations. The appraisal is done by the district.

**Mr. Chairman:** Mr. Haggerty.

**Mr. Haggerty:** Are you finished?

**Mr. Gaunt:** I have one other matter, but if you want to—

**Mr. Chairman:** Go on, Mr. Gaunt.

**Mr. Gaunt:** I was going to ask the department, one hears rumours from time to time that the use of salt is going to be discontinued in the wintertime. Is there any foundation to that?

**Mr. Stokes:** Not after studded tires, surely?

**Hon. Mr. MacNaughton:** Not to my knowledge. No.

**Mr. Gaunt:** Just as a matter of interest—

**Hon. Mr. MacNaughton:** Then we would have some winter driving problems.

**Mr. Gaunt:** Just on that point, does the department do any extensive research with respect to determining the damage that salt does to the road surface, and if so, how extensive is it?

**Hon. Mr. MacNaughton:** Would you like to comment? The research is continuing of course.

**Mr. McNab:** You said the road surface, did you not?

**Mr. Gaunt:** The road surface.

**Mr. Armstrong:** A great deal of work has been done and a lot has been said about the damage that salt and sand cause to the roads. This was examined in extreme detail these last few months by some special tests that were commissioned by the State of Minnesota in collaboration with seven other northern states, and they proved rather conclusively that salt has very little effect at all on the deterioration of road surfaces, and also that the sand applied in sanding roads in winter also has very little effect on the deterioration of the road surface.



This all came up in connection with the relative amounts of damage in relation to that done by studded tires.

**Mr. Haggerty:** It proved you should get a good sealer on it?

**Mr. Armstrong:** Oh yes. These services I am talking about were—

**Mr. Haggerty:** In many cases you have not put down a good sealer on some of the roads and that is when they break up.

**Hon. Mr. MacNaughton:** When that happens they will deteriorate without salt, it does not matter.

**Mr. Haggerty:** The salt goes down in until it thaws and it freezes and that is when the roads go.

**Mr. Gaunt:** That is very interesting, Mr. Chairman, because to a layman one observes the fairly extensive use of salt on occasion. It seems that given the fact that salt does melt the snow and turns it into water and the water ultimately freezes at nighttime when it gets colder—and this happens maybe 75 times a winter; maybe 100 times, who knows, depending on the temperature and other conditions—but the fact is that the water goes down into the cracks in the pavement then freezes and you get an expansion there I would imagine. And apparently, according to your research, this is absorbed, it does not affect the surface of the pavement or its breakup?

**Mr. Armstrong:** I must admit that when I spoke about the comparative amounts of damage caused by salt and sand, in relation to studded tires, I was talking of asphaltic concrete surface in good condition without cracks. But obviously if the surface is porous or already cracked there will be a certain amount of the effect that you have described. But it has commonly been contended that the salt has some chemical deteriorating action on the bituminous surfaces, and this is what I was really speaking about when I said that it does not contribute to this kind of damage.

**Mr. Gaunt:** So it actually does not assist in the breakup of the pavement itself?

**Mr. Armstrong:** By the fact that it makes water available more frequently in liquid form than would otherwise be the case it must be contributing to this kind of action. But again you have a compromise situation,

if you want to get rid of the ice and snow this is part of the penalty of using salt.

**Hon. Mr. MacNaughton:** You have to make the determination as to whether you want all-weather favourable driving to the greatest extent possible on the one hand, and avoid heavier maintenance costs for the removal of snow against the cost of certain deterioration to the surface, and I would suggest that if we ever stop our winter maintenance programme—

**Mr. Gaunt:** I am not suggesting that.

**Hon. Mr. MacNaughton:** —there will be howls from here to the North Pole. This is the alternative decision that has to be made when we talk about this.

**Mr. Gaunt:** Well it is a value judgement is it not?

**Hon. Mr. MacNaughton:** It is a value judgement, and I think the one offsets the other, at least it does in the view of the department.

**Mr. Gaunt:** Just as a matter of interest, the western provinces have some very cold weather; they do not use salt in the winter-time. What do they use, if anything? The four western provinces, I am told, do not use any salt.

**Hon. Mr. MacNaughton:** I am not aware of it. There is a reason for it; I do not know whether the extreme cold and frost there has a bearing on it or not, but it is quite possible it does. Mr. Armstrong can comment again.

**Mr. Armstrong:** Well of course the action of salt is limited to certain temperature ranges, and when the temperature is very low there is no purpose served by putting salt on the road. I think this condition arises far more frequently on the prairie roads than it does on our roads, so you see, where the roads are treated at all, sand is being used more frequently than salt.

**Mr. Gaunt:** Of course there is the other aspect to it, that our cars in this province do well to last three years under normal driving conditions whereas you see lots of cars out west that are in good shape after 10 years use, because they do not rust; there is not the salt on the roads to rust them.

**Hon. Mr. MacNaughton:** Well that is associated with atmospheric conditions I think

to a very considerable extent. Am I right, Mr. Armstrong?

**Mr. Armstrong:** That is quite right, sir. In our test series that we ran about four or five years ago we actually secured the collaboration of people on the prairies to have test coupons out there to check the atmospheric corrosion factors and in the dry cold atmosphere of the prairie provinces the atmospheric corrosion was a great deal less than we experience here.

**Mr. Martel:** They are now using aluminum though on rocker panels in cars are they not?

**Mr. Gaunt:** Yes.

**Mr. Martel:** But there is a product in the States—Ice-foe, I believe—that is rather expensive is it not? It does not destroy concrete, it does not eat into the bodies of cars? I understand it is very costly. I think they call it Ice-foe.

**Mr. Armstrong:** There are many chemical materials that can be used for melting ice and snow, but instead of costing \$12 or \$13 a ton, they cost \$213, or that order of price, so there is no comparison really. They are used extensively in clearing airfields because of the need to avoid contamination and corrosion of the aluminum alloys used in aircraft, which are more susceptible than auto steel.

**Mr. Martel:** These prices are not getting—if they were used in large quantities would that reduce the cost considerably or not at all?

**Hon. Mr. MacNaughton:** Not materially.

**Mr. Armstrong:** They would have to come a long way down.

**Hon. Mr. MacNaughton:** 'Way, 'way down!

**Mr. Gaunt:** Is the department doing any research from the point of view of trying to find something to replace the salt, to do the same job?

**Hon. Mr. MacNaughton:** Well, this came up a number of years ago during the estimates of The Department of Highways and it was at that time we had conducted these tests, as far as deterioration of automobiles was concerned, and I think the same situation applies, the same research applies today, because we found we could not attribute the deterioration of automobiles to salt

any more than we could to atmospheric conditions.

As a matter of fact it was proven in some circumstances, and I am thinking back quite a number of years, where cars that had not been used through the winter at all or been exposed to salt, maybe housed in a garage, deteriorated to the same extent as if they had been operated.

**Mr. Gaunt:** So then—

**Hon. Mr. MacNaughton:** I think you remember that.

**Mr. Gaunt:** So then, the department is not really too concerned about the corrosion part or problem of the salt application. What you are saying, Mr. Minister, through the Chairman, is that really the cars would corrode in any case, because of the atmospheric conditions.

**Hon. Mr. MacNaughton:** Those were the findings at that time. Now the research is continuing, so maybe Mr. Armstrong can bring us up to date on what we have discovered since.

**Mr. Armstrong:** The measurements we made in those tests showed that a very significant amount of corrosion takes place due to purely atmospheric contamination, moisture, and various temperature fluctuations. And what people are not always very conscious of is that cars are rusting away throughout the year and not just in the winter.

In fact, chemical reaction proceeds much more quickly in warm temperatures than in cold. So that your wet car in the summer is likely to rust at a far higher rate than your salty, wet car in the winter. This is not always understood. But you asked if we are conducting research looking for materials that might do the job better than salt, without the corrosive damage.

I cannot say we are doing chemical research to find these materials but we are certainly keeping an eye on any developments in this area, and part of that corrosion testing that we did, was to investigate the effectiveness of rust inhibitors that might be added to the salt to prevent the corrosive action.

Now this is a chemically feasible thing to do, but it costs a lot of money, and the overall assessment of that programme, which I may say still stands as the authoritative work in this field, indicated that it is not economical to inhibit the salt in order to

stop it causing auto corrosion because it is only a part of the overall corrosion that goes on. It is uneconomical to try to do it.

**Mr. Gaunt:** Was that work done by your people or was it done by the Ontario Research Foundation?

**Mr. Armstrong:** No, it was carried out by the department directly. You may remember seeing pictures of rotary rigs we had at Downsview—I think we had four or five rigs; one rig operated without any salt, the next one operated with salt only, and the other three operated with salt plus inhibitor A, plus B, plus C. These rigs were run every day, twice a day for two winters and one summer to test pieces of steel exposed to the splash from the pavement.

**Mr. McNab:** We got tests too. We had co-operation from, what, three or four provinces, who carried out some of the tests at the same time, and fed their information to us.

**Mr. Armstrong:** That was the co-operative part of the testing I mentioned in the Prairie provinces. We had test co-operation in various parts of Ontario and also in the Maritimes for the warm maritime atmosphere and the dry, cold Prairie atmosphere and so on. It was quite a comprehensive programme.

**Mr. Gaunt:** Have you ever done any research with respect to testing a road with salt applied as against a surface where salt was not applied, and determining in some fashion the cost in terms of reconstructing roads because of the use of salt?

**Mr. McNab:** Actually in our opinion, and this is just our opinion, the damage that salt does to the road is relatively small. One of the most dramatic tests I have ever heard was undertaken by a road commissioner I believe in the city of Cincinnati who had possibly a lot more intestinal fortitude than the Deputy Minister of Highways in Ontario.

He was getting quite a bit of flak about the corrosion caused and he undertook during an ice storm not to salt any of the streets but only went out and sanded them. He brought them to their knees. The traffic just came to a standstill.

So I mean the standpoint what else can we do, under the conditions that we have around this area, will sand alone do and the answer is that it will do something but it is not enough to satisfy the people of the prov-

ince who have got to demand completely nice clear roads.

**Mr. Gaunt:** So it is not a question of trying to determine the cost because if you do, you simply have nothing to replace it with any way. So what is the point? Really what I was coming to, the fact that you had determined the damage done by studded tires—and I just wondered if you had made any calculations whatsoever with respect to the damage done by the use of salt in the wintertime, insofar as damage to the actual surface is concerned which would mean in the long term that you would have to build a road quicker than would otherwise be the case?

**Mr. Armstrong:** If I could try to just put this into some kind of perspective and refer again to these tests conducted by Minnesota. They subjected Portland cement-concrete—pavement surfaces and bituminous concrete surfaces—to traffic by snow tires that were equipped with studs, and snow tires that were not equipped with studs but were fed with salt and sand at the road surface. After—I forget the number of passes now but it was quite a practical number of passes of the wheels, ruts caused by the studded tires in the concrete surfaces and in the bituminous concrete surfaces were 1¼ inches deep. The surface of the pavements on which the snow tires had been running with the addition of salt and sand were barely marked.

In the case of the concrete, the cement laitance on the surface of the concrete was worn away but there was no physical wearing away of the main mass of the concrete.

The same was true of the bituminous surface. The asphaltic coating on the particles of stone was worn away but there was no rutting of the surface. It is as different as that. As Mr. McNab has said of the amount of actual wear or damage caused by the salt, you can almost forget about it.

**Mr. Gaunt:** There is just one other point that I wanted to make in this regard. In driving across many roads in the province, as we all do I am sure from time to time, I notice that the vegetation, the evergreen trees for instance, a lot of them are turning brown. Has the department done any research—or for that matter of fact has any department researched why? Is it because of the salt?

**Hon. Mr. MacNaughton:** Are you referring to the salt spray that is caused—

**Mr. Gaunt:** Yes, yes!



**Hon. Mr. MacNaughton:** Yes, I think we are prepared to accept the fact that it does some damage to plant life. As a matter of fact, on the Niagara Peninsula I think we are faced with something in the nature of an action at this present time, are we not? There is a lawsuit on it.

**Mr. Morrow:** Mr. Chairman, I think the hon. member is talking about well in from the road, 50 yards or so, where this sort of browning on all the evergreens is also going on. I have inquired about that, and I have been told it is a sort of disease that is getting into the evergreens very much the same as the Dutch elm disease in elm trees. This is a new type of disease that is attacking evergreens and will cause destruction of them in time if not arrested.

**Mr. Haggerty:** —hydrocarbons from the gas burners.

**Mr. Gaunt:** You are quite right. That does exist. And there is a lot of it. But then there is some evidence of some damage in the ditches, and very close to the road, and I suspect that it is because of the salt spray.

**Hon. Mr. MacNaughton:** I think we are ready to admit that it is possible. At the moment it is difficult to comment upon because it is being determined at another level as to whether there is liability for any damage. There may well be, but whether there is any liability for that type of damage is a matter that is being concerned at another level.

**Mr. Gaunt:** That brings me round to full circle, really. Because what I wanted to ultimately get to was that there is some evidence that there is damage being done to vegetation—

**Hon. Mr. MacNaughton:** Some apparent damage.

**Mr. Gaunt:** Some apparent damage. And I think it is becoming evident, although it is not a rapid process, that salt is building up in the freshwater lakes. The buildup is fairly small and really, I suppose if we get into an argument on that basis the department people could say it is very minimal, and it is. But as the lakes age—if I can put it that way—it is bound to become more and more.

So we get to the point, given the fact that we have vegetation damage, and in some cases outright kill, plus the fact that we have a continual buildup of salt in our freshwater lakes, I think this will continue until we are

ultimately faced with a decision as to whether we can, in fact, use salt.

**An hon. member:** Hear, hear!

**Mr. Gaunt:** If we get to that point, it seems to me that unless the department has taken cognizance of it early enough we are going to be in a very difficult position because we are going to be placed in the position of not being able to use salt perhaps in the foreseeable future, and not having any substance that is really economically feasible to replace it. I think that we are going to have to intensify our efforts by way of research to try to find some substitute material to replace salt.

**Hon. Mr. MacNaughton:** The research continues; it will not stop. But, at this point in time, we are not able to see any alternative, if the public demands the type of driving surface in the winter that it appears to demand. So those are the two questions that have to be resolved. I think Mr. Armstrong has indicated the extent of the research that has taken place. In view of the cost factors, if we were to use certain substitutes for salt, then I have some reason to believe the public might be concerned about that.

**Mr. Gaunt:** Given those costs, certainly, they would be concerned. There is no question about it, and rightly so.

**Hon. Mr. MacNaughton:** I have some doubts as to whether the minimal amount of leaching, or whatever it is that finds its way to the freshwater lakes, can be anticipated as serious damage in the foreseeable future. I think it would take a long, long time.

**Mr. McNab:** I would like to speak on that, sir, because we did some research on that just last year and we found that they have been recording the amount of salt in Lake Ontario, I think since about 1905—in that year, give or take a year or two.

We started to use salt in 1943 and the graph that you plot for the gradual increase of salt in the lake has been steady, without any noticeable break, any discernible break whatsoever, from 1943 on, because our scientists say that the main cause of the additional salt in the lake is through manufacturing processes, human waste and whatnot—that all goes into the lake.

But we expected, as you probably would, that there would be a noticeable difference in the rate of increase of salt in Lake Ontario, and it just has not occurred.

**Mr. Gaunt:** I know it is very minimal. There is no question about it. I asked the Minister of Energy and Resources Management in the House one day about it and he gave me the figures. I just cannot recall them, but it is certainly very small, but still, at the same time, who thought that we would not have the Spadina. These things change, and emphasis changes. Maybe the environmentalists will become so vocal—

**Mr. McNab:** But did he say there was salt increase from the salt that we are adding to our roads, because—

**Mr. Gaunt:** Oh, no. He did not put it that way.

**Hon. Mr. MacNaughton:** This is the thing that we were looking for. The other things we have very little control over, I guess.

**Mr. Haggerty:** Just find some method there, when a transport goes by, to keep it down.

**Mr. Gaunt:** He did not indicate the source.

**Hon. Mr. MacNaughton:** We are a very demanding society, are we not? We really are.

**Mr. Gaunt:** He gave me the figures and there was a very slight increase. It was very slight. He certainly did not attribute it to the salt on the highway. He said that could not be determined. There was no way of identify-

ing it, whether it came from the highways or where it came from.

**Mr. Armstrong:** There has been a report issued recently by The Department of Energy and Resources Management on a study of the Metropolitan Toronto area, which is probably the place where the amount of salt getting from the roads into the lake is the greatest of all the towns and cities on the Great Lakes.

Of all the salt going into the areas immediately adjacent to Metro Toronto, this report indicates that 20 per cent is contributed by the salt applied to Metro roads, and they call attention to the need to avoid any over-use of salt. We would readily agree, and in fact, at the beginning of last winter we took positive steps to try to ensure that the minimum amount of salt consistent with safe road conditions would be used.

**Mr. Chairman:** It is now 10:30. Will vote 802 carry?

**An hon. member:** No way!

**Mr. Chairman:** We will adjourn until tomorrow morning following the questions.

**Mr. McNab:** What time is it in the morning?

**Mr. Chairman:** Eleven o'clock.

The committee adjourned at 10.30 o'clock, p.m.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Transportation  
and Communications

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Friday, June 25, 1971

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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of this issue.)



# LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, JUNE 25, 1971

The committee met at 11:17 o'clock a.m., in committee room No. 1; Mr. M. Hamilton in the chair.

## ESTIMATES, DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

(continued)

On vote 802:

**Mr. Chairman:** We will continue with vote 802. Is the vote carried?

**Mr. M. Gaunt (Huron-Bruce):** No.

It was indicated to me that under this vote it was proper to bring matters of placing signs. I have one problem here which seems to be a rather grievous matter.

It concerns Highway 27. Those people who want to go either east or west on Highway 5, which is the Dundas highway, these people as it is at the moment—this is after the construction which you have been doing on Highway 27—must exit from 27 at the East Mall cutoff and then they have to proceed south on the East Mall to Dundas.

This is causing all sorts of problems because the East Mall is out of bounds to heavy truck traffic and this is where the problem comes in. It is an essentially residential area and they are using this cutoff. They come along and they exit from 27 at the East Mall, and then the heavy trucks go through this residential area.

It is certainly causing all kinds of concern there and I think the department could rectify it very easily. All they really have to do is put up a sign saying: "No heavy trucks permitted on Highway 5 exit." I think the department has taken the position they cannot do that, that their policy does not permit them to erect those signs on Highway 27.

I think you really have two alternatives. You can either do that or you can indicate by marking that all heavy truck traffic has to travel the centre core and then exit to the service road, which parallels Highway 27. That might cost money because I think there

would be some adjustments necessary if you were going to do that.

The other way, the simple erection of the sign saying no heavy trucks to exit on Highway 5, would not cost very much money and perhaps is the more simple. But if it is against your policy, and if in fact you feel that to make any exception would certainly not be the proper way to proceed, I suggest the only other way that it can be solved is to make the heavy truck traffic go on to the service road.

**Hon. C. S. MacNaughton (Minister of Transportation and Communications):** Mr. Bidell is familiar with the details. There is a problem there that we are aware of. Would you like him to comment on it?

**Mr. W. Bidell (Executive Director, Planning Branch):** Yes. We have been negotiating with the borough of Etobicoke in this regard for some time now. It is true that we do intend, when the construction has been completed, to erect a sign indicating the exit off the collector road as the exit to Dundas Street to Burnhamthorpe Road and also to Rathburn Road. In other words, this one exit will take the motorists to either of these three streets.

We have felt that since we are signing this as access to Dundas Street, which incidentally had the approval of the borough, it was proper to not mention what vehicles could go or what vehicles could not go onto Dundas Street, because Dundas Street is a major arterial route as you know.

The borough has passed its bylaw prohibiting heavy trucks on the East Mall and we have felt that this is a matter of enforcement. It would be impossible to sign the entire complex in sufficient detail for the truckers to be guided away from the street. In other words, the only place we could put any signs of this type would be at the exit from the collector system which is East Mall Gate, and this takes you to East Mall, as you know.

We have felt that to put a sign of this type—"no heavy trucks"—on East Mall Gate would not really do the job. The job is

really one of enforcement and advising all the trucking operators in the area—as you know, there is a fair amount of industrial development in this area—of the fact that there is this truck bylaw prohibiting heavy trucks. But we are still, as I say, negotiating with the borough and this matter has not been completely finalized as yet.

**Mr. Gaunt:** The problem is that the trucks, when they cut off on the East Mall, are not aware that the borough has a local prohibition. Once they are committed, they cannot do anything about it; you know, they cannot turn around. The cloverleaf is such that, having made the decision to cut off, they cannot then say: "We have to get out of here." They have to go along and they have to go down the East Mall which is a residential area.

You are quite right. They passed a local bylaw saying that no heavy trucks were permitted in that area, but my information now is that the local police have stopped enforcing it because it is most unfair. The truckers, after they are committed, get in there and they do not know about the local bylaw; the police stop them and they say, "Well we did not know; there are no signs. How were we supposed to know?"

That recourse is certainly far from satisfactory, and under those conditions there is no way the problem is going to be solved because the police, being human beings and being reasonable people, recognize that the truckers are locked in. They come along Highway 27 and want to go onto the Dundas highway; so they cut off at the East Mall, and once they get on that there is no way they can then change their minds.

**Mr. Bidell:** Well as I have said, we are still in the throes of final negotiations with the borough, and my point is that if we did put up a sign on East Mall Gate saying, "No Heavy Trucks," we do not feel this is really going to solve the problem for the borough, because by that time it is far too late for the trucker to do anything about it. He has already committed his turn and cannot stop and back up; he must go forward.

We feel the real solution to this problem is for the borough to undertake a concerted effort to advise all the truckers who frequent the area on a repeating basis that this bylaw does exist. I think that in time this would be the real solution to this problem.

As I said, to sign the movement of trucks far enough back from this point we would

have to start in the vicinity of Dixie Road for anyone approaching this area on the Queen Elizabeth Way from the west in order to mark the proper route. The signing that would be required in order to do this would be extremely complicated, if not impossible.

**Hon. Mr. MacNaughton:** Mr. Bidell, for my information, will the matter be resolved more or less upon completion of the work in this particular area?

**Mr. Bidell:** Yes.

**Hon. Mr. MacNaughton:** It seems it might be a matter of interest to consider then the extent to which Etobicoke could live with an unfortunate situation, knowing that it is going to be resolved when the work is completed.

**Mr. Gaunt:** It will be resolved?

**Hon. Mr. MacNaughton:** When the work is completed, as Mr. Bidell pointed out in the first instance, the problem will be solved. I think that is as I understood it.

**Mr. Bidell:** We will come to a final understanding and arrangement with the borough of Etobicoke, yes.

**Mr. D. M. Deacon (York Centre):** Mr. Chairman, I did not understand Mr. Bidell's remarks that way. His understanding with Etobicoke is that they will start the programme of informing truckers in the area that they are not to use the East Mall Gate route. I did not hear him say that the completion of the project will mean that they will have an alternate means that is satisfactory and will not require such an information agreement.

**Hon. Mr. MacNaughton:** What I was suggesting was that in the final disposition of this problem, even if we do put up a sign as requested, this has to be carried much further than that by the borough to really solve this problem.

**Mr. Deacon:** Is it true that the design of the completed programme of Highway 27 will mean that there is a proper, understandable means for any trucker coming in, whether he is familiar with the area or not; to get onto Dundas and Highway 5 without contravening the bylaw. Otherwise he will have to be advised of a turn back at the Dixie Road and the Queen Elizabeth Way? Is the completion of the Highway 27 construction going to provide truckers with a

means of getting around to Highway 5 without breaking a bylaw?

**Mr. Bidell:** Yes, this will be possible by other routing—by Evans Avenue and the East Mall from Evans Avenue northerly up to Dundas Street. In order to do this, there will still be a very short section of East Mall that will have to be used by trucks right in the vicinity of the shopping centre in order to get back to Dundas Street. So there will be an alternate route for the trucks to use when this construction has been completed. The construction of the East Mall extension north of Queen Street is not our responsibility; that is the responsibility of the borough of Etobicoke.

**Mr. Deacon:** It is still not clear from the answer that has been given that it will be possible for a driver coming into the Toronto region, who has never come into it before and is wanting to proceed on Dundas Street, to turn off, and know where to turn off by the signing, so that he will not be in contravention of a local bylaw or what will continue to be local regulations in the area. Will the ultimate programme and redesign of Highway 27 provide for easy and legitimate exit on Highway 27 by truckers?

**Mr. Bidell:** No; if the trucker is going to use the 27 system, then in order to get to Dundas Street he will have to use the short piece of East Mall from this intersection down to Dundas Street.

**Mr. Deacon:** Under those conditions, Mr. Minister, I would say that there has to be signing of the Queen Elizabeth Way to so advise the drivers. There is no alternative. It is ridiculous to think that we can inform otherwise and keep drivers coming into the area informed of this problem.

**Mr. A. T. C. McNab (Deputy Minister):** I would like to question Mr. Bidell, because I am a little confused at this point. Maybe I can help to clear up the point you are trying to make.

When the construction is completed, for the traffic attempting to go on Highway 5 from 27, coming from Dixie for instance, will you be able to sign it, say to Dundas Street?

**Mr. Bidell:** The traffic is coming along the Queen Elizabeth Way?

**Mr. McNab:** That is right—Queen Elizabeth Way up 27. I think this is the point you are getting at. If it is destined for Dundas Street that can be signed, can it?

**Mr. Bidell:** The signing, if one is coming from the Queen Elizabeth Way from the west and proceeding north on 27, will be a sign on the centre core of 27, just immediately south of Dundas Street, which will say, "Dundas Street, Burnhamthorpe and Rathburn." By using this exit, one then will have to take a turn on East Mall Gate to get to East Mall and thence to Dundas Street.

**Mr. McNab:** The next point: Is this through a residential area where we have been getting the complaints? It is north of that, is it not, where we have been getting the complaints?

**Mr. Bidell:** No; the borough has passed a bylaw prohibiting trucks on all of the East Mall, but we are only using that part of the East Mall which is right in the immediate vicinity of the shopping centre. So it is not entirely residential, because on one side of East Mall, the part that would have to be used by traffic to get to Dundas Street, there is the shopping centre.

**Mr. McNab:** So therefore most of the trucks would be servicing the shopping centres?

**Mr. Bidell:** Shopping centres and further south, once the borough constructs the East Mall south of Dundas.

**Mr. Gaunt:** It seems to me, with respect Mr. Bidell, I do not think that is going to solve the problem. You are still going to be using the East Mall. While there is some intercity traffic associated with that shopping plaza, the great preponderance of that traffic is going to the Dundas highway. In other words, it is destined for destinations other than the city of Toronto—say Hamilton, well not Hamilton, but Mississauga and out that way. So you are really not going to solve the problem.

I am wondering why could you not either now or certainly in the very near future by way of planning or by way of redesigning or whatever it takes, or signing, or any number of things, perhaps a combination, indicate to all the trucks that they have to use the West Mall. Why can they not use the West Mall, because this is strictly an industrial area and it would create no problems whatsoever if they were to use the West Mall?

**Mr. Bidell:** You cannot use the West Mall if you are on the east side of the highway. You are on the east side of the highway going



north and you have to use the east side system, you cannot get to the West Mall.

**Mr. Gaunt:** Yes, all right. Your point is sound, that is right.

**Mr. Bidell:** May I suggest, sir, there are two points here.

One is, as I said, that we did design and plan the whole system in co-operation and conjunction with the borough. Now this system had been under construction and this bylaw prohibition has been an after-the-fact occurrence, so therefore it makes it extremely difficult to change any physical arrangement of ramps and so on to accommodate this.

If we had known this before the final decisions were made insofar as designs and plans and contracts and so on are concerned, we may have been able to do something. If we had to start over again, we might have found some way of avoiding this, but as I say this is after the fact.

The second thing is that we will just have to keep working with the borough to attempt to resolve this situation. Also I might suggest that it is extremely difficult to describe and discuss a very complicated traffic pattern of this type without some sort of a plan. I would be most pleased to get the necessary plans next week and go over this with you to indicate what the problems are.

**Mr. Gaunt:** I wish you would, because it is very complicated. I know where the area is; I travel through it quite frequently. I go home that way; I go home by 27, not by the Dundas highway. But it seems to me that there is a real problem here that is going to have to be resolved one way or the other.

That brings up the other point. Did Etobicoke in the first instance agree to this proposition that there would be a short stretch used along the East Mall for heavy truck traffic? Did they agree to that?

**Mr. McNab:** Absolutely!

**Mr. Gaunt:** I see, well that is interesting. Then after the fact, as you put it, when the complaints started coming in from the residents they responded, they passed their bylaw prohibiting heavy truck traffic and then they started making approaches to you people?

**Mr. Bidell:** Correct.

**Mr. Gaunt:** That is the proper sequence of events?

**Mr. Bidell:** Yes.

**Hon. Mr. MacNaughton:** Is it not true, Mr. Bidell, that they are also in agreement with that underpass under Dundas Street to go south? That was all part of the—

**Mr. Bidell:** Oh yes, that was all part of the system.

**Hon. Mr. MacNaughton:** Which would permit truck traffic, as well, right into the East Mall—right directly into the East Mall?

**Mr. Bidell:** That was all part of the agreement for design.

**Mr. Gaunt:** I am sorry, I missed that.

**Hon. Mr. MacNaughton:** They also, in terms of agreeing with the plans for southerly construction, approved an underpass under Dundas Street which will also permit that type of traffic into the section that is of concern. They agreed to that plan too.

So having done that, that will not only permit, but it will attract, that type of traffic into the area.

**Mr. Gaunt:** In the normal course, the truckers being very shrewd—

**Hon. Mr. MacNaughton:** It would be interesting to go and take a tour of that area and see just what has been provided.

**Mr. Gaunt:** Right. That really is the only accurate way one can assess it, because it is awfully difficult to work these things through on paper without actually getting in a car and driving there and just seeing exactly what is involved.

**Hon. Mr. MacNaughton:** We could arrange for that type of tour of the area.

**Mr. Gaunt:** I would certainly very much appreciate it, because apparently there are some very real problems out there. They have an association which has banded together to try and get this thing changed. They have made some representation from the point of view that the department should erect special signing to the effect that certain highway off-ramps would be prohibited for heavy truck traffic.

I think they even go beyond this East Mall business and say that these signs should include the southbound traffic from Richview Road, which would apparently include Erin-gate Drive, Holiday Drive, Burnhamthorpe Road, Eva Road and Evans Avenue. It would also include, northbound from Evans Avenue, the East Mall Gate, Valhalla Inn Road, Burnhamthorpe Road and Rathburn Road. It

would also include Burnhamthorpe Road with restricted signs from 7 p.m. to 7 a.m. In other words, the overnight heavy truck traffic would be prohibited on those sections.

I think the most pressing, and perhaps the most grievous matter is the heavy truck traffic that is using the East Mall. I think these other areas are important to them, but they are not quite as onerous or as bad as the East Mall heavy truck traffic.

**Mr. McNab:** Believe me, one of the most difficult things to design is the signing for these complicated interchanges on high-speed highways. You have driven down there so you know what I am talking about, but even with the signs that are there now, a person has to be extremely alert not to miss the turn.

Our major problem in this is to attempt to keep the signs to the bare minimum as a matter of safety. If you get too many signs, there is a direct tie-in between those and indecision on the part of the motorists.

In this situation, this was one thing we did not feel would be a problem that we would have at this particular point, because we were constantly in liaison with Etobicoke. The Etobicoke engineers suggested this design so it would take them down the East Mall and then after doing that they put this bylaw through. Not that they made a boob, but they can be excused as far as I am concerned.

These are very difficult things and I do not think we should, I mean stress that point. There is a problem there and quite frankly it is something that is going to have to be solved. We will direct ourselves to it and I hope that you can take Mr. Bidell up on his offer to bring a plan down and maybe--

**Mr. F. Young (Yorkview):** Or drive out with him.

**Hon. Mr. MacNaughton:** Yes, take a tour of it.

**Mr. Gaunt:** No question; I will take you up Mr. Bidell, you can be assured of that.

The other point that I want to make in respect to the local programme is the fact that the borough said no heavy truck traffic. They circulated 1,000 circulars to various truckers, to various companies, and to the trucking association indicating this route was prohibited to heavy truck traffic. They had some success, I think, but it did not solve the problem.

I do not know whether there was a breakdown in communication or what happened, but the trucks are there. And they have a list of them here; some of the women in the area sat up all night making a list of the number of trucks that have used that in the course of 24 hours.

Incidentally this check, this latter one, was taken after the circulars were sent out so it really did not have too much effect.

It stopped a few of them, I gather—undoubtedly it would—but during a period of, it was not even a 24-hour period I think, there were quite a number.

Incidentally, that part of the mall has a 25-mile-an-hour speed limit designation, which is another thing that should be mentioned. As well, there is a school in the vicinity and the trucks belt through that area as well.

It seems to me we are going to have to change that situation, and I hope it can be worked out.

For instance there is a half a page there; a page there; a page there; another half a page there; three pages of truck traffic within, certainly not a 24-hour period. The period is not indicated in that letter but it seems to me I recall when I read this material over before that it was a very limited period of time. This was after the circulation of this information, so obviously it is not having too much effect.

With regard to the point the minister made about the underpass, truckers are pretty shrewd people when it comes to picking the best routes.

**Hon. Mr. MacNaughton:** Indeed they are!

**Mr. Gaunt:** If there is a better route they will take it; undoubtedly they will. Eventually they will find it.

**Hon. Mr. MacNaughton:** No doubt!

**Mr. Gaunt:** In the meantime, what do we do? It is certainly a very vexatious problem.

**Hon. Mr. MacNaughton:** I say we should rely on what the deputy minister tells us. We are very much aware of this difficult situation. I have toured the area myself and there is no doubt about the seriousness of what you say. But can we not accept the assurance of the deputy minister that, recognizing that, something has to be done?

**Mr. Deacon:** Mr. Chairman, my only wish is to be sure that we do not try to get co-operation through letters, because there are

going to be truckers who never heard, or choose never to learn or are never in a position to be advised of the local situation.

I think we must find a solution that utilizes the original turn-off arrangement, because I completely agree with the deputy minister on the matter of signing. I think the signing of the department as a whole is excellent. It is about as clear as you will find anywhere. Confusion in signing is always caused by too many signs, so if the original agreement with Etobicoke was to turn off at that area, by some means or another the redesign of the exit to avoid the local problems will have to be worked out. I just hope it will be done on that basis and not as a matter of propaganda.

**Hon. Mr. MacNaughton:** No, no; I could not agree more. It will be worked out with the municipality again, through the borough.

**Mr. Gaunt:** For the information of the department, apparently the estimate is between 100 and 150 trucks per day on a residential street. That is not good!

**Hon. Mr. MacNaughton:** It is no good. It is accepted that it is no good.

**Mr. McNab:** Do they list how many of those are construction trucks? Do they categorize?

**Mr. Gaunt:** Let me read you a partial list.

**Mr. McNab:** Because that is partially from the development operation.

**Mr. Gaunt:** I do not think there are too many construction trucks. The point is, I think, that Highway 27 is the third busiest highway in North America—is it not?—by traffic counts, and one is bound to get a tremendous amount of truck traffic going off on to that—

**Mr. McNab:** We have 150 trucks in an hour on Keele Street.

**Mr. Gaunt:** There are 150 trucks an hour?

**Mr. McNab:** Oh that would be a minimum!

**Mr. Gaunt:** Yes; but it is designed for heavy trucks. It is not going through a residential area.

**Mr. McNab:** No.

**Mr. Gaunt:** Here is a list of some of the trucks: O.K. Express; Mill Paper Fibres Trinity Toronto; Anderson Poultry Farm; Consolidated Power Constructors; Central

Truck Lines Limited; Hansen Cartage Limited; Reliable Toy Company Limited; Dominion Freightway Company; Canada Cartage; Burns Landscaping; Dominion Freightway; O. P. Cartage; Dufferin Truck Rentals; Smith Transport; John McDonald Brand Potatoes; U-Haul; K. L. Truck Limited; Clark Steamship; R. Ryder; and, incidentally—oh, yes, here we are—Guenther-Tuckey, which is quite familiar to both the minister and me; Wilson Transport; Godson Contracting Company Limited; Ford Cars Delivery; Winter; People Products; Arrow Truck Rentals; Air Canada; Hume's Refrigerate; Overnite Express, Western Transport Freight Lines and Belmont Meats. There may be a few construction trucks in there but the vast majority are trucks that are hauling freight to Mississauga or other points.

**Mr. McNab:** There is a real problem there and it can only become greater as traffic increases. But when you mention 150 a day, I would be surprised. It could be 50 per cent of those are on services. That is a very large shopping centre with about 60 stores, and a lot of them would be servicing that complex. This is another problem we are going to have to solve.

**Mr. Gaunt:** Mr. Chairman, If I may just make a comment on that. This 100 to 150 trucks a day, I am not sure if that takes in the night traffic, because the night traffic really causes more problem than the day traffic.

**Hon. Mr. MacNaughton:** Particularly if you have to sit up all night and count them.

**Mr. Gaunt:** If you have to sit up all night and count trucks, it is not very pleasant after the first week.

**Hon. Mr. MacNaughton:** You had better try sheep.

**Mr. Gaunt:** I will be looking forward to your communication, Mr. Bidell. You can give me a call and we can set up a date on which we can go out there. I would very much like that, because I think the minister agrees this is a problem we just cannot tolerate.

**Hon. Mr. MacNaughton:** No question about it.

**Mr. Gaunt:** I really do not blame the citizens for becoming quite irked about it; I think I would too under those conditions.

**Mr. Chairman:** Mr. Kennedy.



**Mr. R. D. Kennedy** (Peel South): Thank you, Mr. Chairman. I am not sure that I am on the right vote here, but possibly some of the gentlemen could help me. I wanted to raise this matter of noise pollution at the weigh scale at Lorne Park on the Queen Elizabeth Way.

Last year I was informed there was some experimental work being conducted with respect to barricades or revetments to assist in noise abatement. Am I on the right vote, Mr. Chairman?

**Mr. Chairman:** Yes, under general maintenance.

**Mr. Kennedy:** Well firstly, there are quite a number of complaints with respect to the weigh scale, and it is being suggested that if the schedule of when they stop and when they are allowed to go right through could be adapted to less offensive hours this would be helpful. Is there anything that could be offered with respect to noise abatement in that area?

**Mr. McNab:** One of the problems of course in respect of this is that confining your checks to specific times when the scales are in operation is a little difficult. You do that and then the overloaded trucks are travelling at that time. We attempt as much as possible to have these scales in operation at irregular times so that this is not a mockery.

**Hon. Mr. MacNaughton:** We will not catch them otherwise.

**Mr. McNab:** On that particular point, I do not think I could recommend that. If we are going to have enforcement, it is just an open invitation. It is bad enough now. Some of the truckers, we know, have a very good system whereby, if the scales are open, you will see the trucker pull over down the road a bit, go to a telephone or make a signal to somebody going back, and the word is through. A lot of these trucks now, of course, have radio despatch. It is a real problem; it is a matter of a guessing game. I would not want it to be so that they got an open invitation.

**Mr. Kennedy:** Of course we realize that some of the houses were built along there, and approval for the subdivisions was given, after the scales went in. The municipality says we were opposed to this—

**Mr. R. F. Ruston** (Essex-Kent): Great planning!

**Mr. Kennedy:** I do not think anybody should live along a six- or 12-lane highway as far as that goes.

The municipality says it was opposed to it and the OMB approved it. Be that as it may, I know that in Etobicoke, for instance, we have light and showcase industry all along these multiple-lane highways and this is the way it should be.

In Mississauga there is an area which is residential and certainly the noise is a very great problem. I know there is muffling equipment that has to come to certain standards, and also there is a 70 and 60 speed limit. Has this been changed recently? Has it always been that way?

**Mr. McNab:** It was changed, I guess, about five or six years ago; something like this—

**Mr. Kennedy:** Perhaps passenger vehicles went up and perhaps trucks stayed at 60. That may have been the way it developed.

**Hon. Mr. MacNaughton:** That is correct.

**Mr. Kennedy:** You see no immediate possibility—

**Mr. McNab:** Not from the standpoint of scheduling hours when it is inoffensive for noise.

**Mr. Kennedy:** How about moving the scales?

**Mr. McNab:** You just move your problem somewhere else. These scale locations also have to be in such a spot that they are going to be of some use. We could put them down the road and miss a lot of the people we are attempting to get on some of the cutoffs.

**Mr. Kennedy:** I see.

**Mr. McNab:** It is a case of moving the scale down into another area and possibly getting into the same situation either now or at a later date.

**Mr. Kennedy:** Except, Mr. McNab, there are commercial areas and probably, I would think, this should be very seriously considered in any future installations.

**Mr. McNab:** It certainly would, and I do not know just what can be done. It is difficult to baffle an area like that because the trucks start gearing down, braking down, a considerable distance from the scales. This is where you get the noise, and when they pick up again and accelerate.

**Mr. Kennedy:** It seems to be as much a concussion as a noise. It shakes the windows.

**Mr. McNab:** Of course, there was nothing there at all. I go back a few years in history, when I was working on the layout of the Queen Elizabeth Way. As I recall it there was a pig farm fairly close to that particular area. It was all rural and I think that all of us have to start thinking—I mean highway planners, transportation planners, everyone; boroughs and what not—of zoning these things so that we can have them. This is a long-term thing and has to be done.

**Mr. Kennedy:** You mentioned baffling and so on. That was my other question. What is the current situation? I was informed last year there was some experimental work being done on Highway 401 with a view to abating that noise.

**Mr. McNab:** We have just let a contract for about 6,000 feet of it, in the Highways 401 and 27 area. It will be constructed this summer. There are various types of baffling we are attempting to install. We are going to see which is the most effective, if any of it is completely effective, and then attempt to set standards and erect the most successful of the types we are testing in various locations.

**Mr. Kennedy:** What are some of those types? Is there earth and—

**Mr. McNab:** Concrete, some of them are straight concrete; others, where we have the room, we are putting up earth revetments and landscaping them. In some areas it is a combination of both.

**Mr. Kennedy:** Any insulation or—

**Mr. McNab:** The best type of insulation, of course, in a thing like this comes from the makeup, the density and what not of the material you use. Possibly the most effective, if we have the room, and certainly cheapest, is the parapet or earth mound that we can landscape. There is no value from the noise standpoint, or very little, in any tree screens; we found that out.

**Mr. Kennedy:** That is what I understand. Are they ahead of us in the United States on this? Can we learn anything from them?

**Mr. McNab:** We have been down in the United States on it, and here again, in all modesty, we are further ahead than they are.

**Mr. Kennedy:** Is that so? There could be some encouragement then for residents in this area depending on the success of these experiments?

**Mr. McNab:** There is always some noise, we can never get to the point where everything would be dead silence. The acoustic engineers have set what they think is a level that people can live with, and this is what we are attempting to achieve.

We can never deaden it completely, let us not kid ourselves. We feel in the long run the solution to this is to go to the source of the noise and get some better way of baffling the noise of the vehicles by muffling it, and by developing better equipment of this type.

**Mr. Kennedy:** And is this going on concurrently as well?

**Mr. McNab:** Yes.

**Mr. Kennedy:** What specifically is being done in that area? Can you add anything there?

**Mr. McNab:** Yes, consideration is being given to better muffling systems; and we are trying to come to grips with better enforcement. We have seen truckers who will get a truck with a very effective muffler system; they take a crowbar and put the crowbar through the muffler because a properly muffled system cuts down on some of the power.

A lot of these trucks, when they come from the factory are tuned properly and are not too noisy. After some use—and this type of abuse I mentioned; not keeping them tuned up properly or not using the proper equipment, the noise increases. It is a combination of all things. Enforcement—

**Mr. Kennedy:** Just one other question: The exhaust emissions from Gray Coaches and the TTC come out at about two feet above the ground, the normal exhaust level, and passenger cars behind get the full blast. Can some measures be taken to at least change the exhaust system so that the emissions are at a level such as the diesel trucks, which is up in the air? At least it does not get into the passenger cars.

It is a very offensive odour and I think it contributes, or could contribute, to accidents, because certainly there is no pleasure going along behind a Gray Coach vehicle of this type, and staying there and suffering those obnoxious fumes. Therefore you try to get out of there at the first opportunity and perhaps jeopardize your safety.



**Hon. Mr. MacNaughton:** I guess in that circumstance you would please the motorists, but anybody who has his windows open would get the benefit of that exhaust as well. Mr. Armstrong has probably done considerable research into this matter too, so—

**Mr. M. D. Armstrong** (Director of Research): Specifically on the emissions from certain buses and so on, you may remember that 15 buses were purchased last summer for the Go bus services that were introduced around the Toronto area. These buses have in fact an emission suppression package which greatly reduces, not only the offensiveness of the odours but also eliminates a lot of the products of combustion before the gases are released to the air.

At the moment these packages are in sort of a prototype phase and these were some of the first buses in North America fitted with this package. They do cost a fair amount of money, but nevertheless there is a move toward establishing standards both in the United States and in Europe. We are looking at the standards and trying to crystallize our recommendations for the minister to take action on this particular thing.

**Mr. Kennedy:** In the meantime, why could the tailpipe of these buses not go up in the air the way the tractor-trailer exhaust does?

**Mr. Armstrong:** Of course it could, but I do not know whether it is desirable to make special requirements for that to be done when, in fact, we are considering the overall problem. I think this is more—

**Mr. Kennedy:** Well, all I say is those that emit diesel fumes at, say the level of an automobile, create this offensive odour and obnoxious emission that gets into passenger vehicles. You see the difference when you are behind a tractor-trailer because it is discharged up into the air perhaps 10 or 15 feet. It is at least spread over the atmosphere at a greater elevation and you do not suffer this offensive odour.

**Hon. Mr. MacNaughton:** It is worth pursuing.

**Mr. Kennedy:** Thank you very much Mr. Chairman and Mr. Minister.

**Mr. Chairman:** Mr. Ruston.

**Mr. Ruston:** Mr. Chairman, I want to ask a question or two with regard to Highway 401, the Macdonald-Cartier Freeway, and the resurfacing in the Essex county area. I

think the minister is aware that there was some resurfacing done on it a couple or three years ago. It was a strip of highway that seemed to have been very rough. I guess it had something to do with the way it was constructed.

Do you have any plans to resurface any of that portion? Again there are areas of it that I can think of offhand—Tilbury to Comber and some other areas—that are still quite rough. There was a thin surface put on it, I think, about three years ago. Have you any plans on that now?

**Mr. McNab:** Yes, we do have plans to give it a further coating.

This section of highway that you speak of was constructed many years ago, and the design was the current design at that time for concrete pavement without the reinforcing, or without load-transfer joints I guess. Over the years it started to step and get rough. We could have gone ahead and completely repaved it, but this is extremely costly and we decided on an experiment, in a thin overlay, which is possibly one-tenth of the cost of a complete resurfacing where you could raise it maybe, oh three to six inches, and when you do that then all your drains are shot. You have then to practically rebuild your road, your drainage, your interchange takeoffs.

So we put this thin overlay on and figured that in four or five years we would have to put another thin overlay on. You could do that about every four years and have the effect, at that time, of practically a new pavement. It is only three-eighths of an inch thick, and it is quite reasonable—I think it runs about \$10,000 a mile, as against at least 10 times that for the original.

**Mr. Ruston:** It did improve the situation, I think, but there are now places where it is deteriorating again, as you are no doubt aware.

Your policy of signing 401 and other roads, is, as I understand it, to indicate only the closest municipality and the closest area—we might say incorporated villages and towns and so forth. I questioned this before, I think. Is your policy still the same?

I think of one place, for instance where I live myself. It is a hamlet and is not designated as a village nor a town, or anything; and so we are not entitled to a sign. And yet, five miles farther from the 401—we are about 1½ miles away—five miles farther away is a police village, so they are designated



by a sign on 401. Yet population-wise we have probably as big a population, if not larger.

I question this. I just do not know or understand your thinking here. I cannot agree with it in principle. It might sound logical because a place is incorporated, but an incorporated police village is really nothing more than a part of the township also. Are there any thoughts on changing that?

**Mr. McNab:** Is there any highway intersection at that point?

**Mr. Ruston:** Yes, what we call the Belle River road; it is an interchange, I do not know the number of it now. There is a sign for Cottam, but nothing for Woodslee. Yet Cottam is a long way from 401. Anyone coming from Windsor would never take the 401 if they were going to Cottam, because it is 10 miles out of their way. Anyone coming from the east, of course, would turn off at the Belle River interchange if they were going to Cottam, Kingsville and Harrow, probably.

I raised the question about Woodslee previously. I thought that a sign referring to it would be more in keeping with the area; more people turn off who would be going to Woodslee than to Cottam.

There are other areas just the same, but I think of that one particularly. There are many other areas that I have in mind that are similar.

**Mr. McNab:** A lot of these signs are for orientation purposes. We have to have something there. And if a place is a police village, whatever the name, it could possibly be the intersection with another main road, with the road that is intersecting the 401—on occasions such as that we will sign that particular village for orientation purposes. Now I do not know whether this is the case here, again it is difficult to visualize. But the signing policy could be described for you quite easily, and maybe it could fit in if Mr. Bidell commented. Would that be all right?

**Hon. Mr. MacNaughton:** Yes, that would be all right. The same situation applies at the Comber road, I guess, between 401 down Highway 77 to Leamington.

**Mr. Ruston:** Well they have the Comber side road, so in other words Comber is designated as a police village also; and the other way is Stoney Point, which is a police village; and Leamington is designated as a town of course.

**Mr. McNab:** We name roads.

**Mr. Bidell:** May I suggest, I am not personally familiar at this moment with the situation regarding the signing on Woodslee and Cottam, and I am not familiar with the exact signing you have indicated, but I would be most pleased to look into this particular situation.

I think that we would be pleased to provide you with a full description of our signing policy, not only in this case but our whole freeway signing policy and if you like I could spend some time with you to explain it.

**Mr. W. Ferrier (Cochrane South):** I just have one item, Mr. Chairman. It concerns Highway 629 which goes from Timmins to the airport. This road was paved about a year ago and there is now in one section of it very bad cracking, and along the banks just outside of town the sods that were put up are all washed down. I wonder if the department has done anything about this; or is aware of the situation and will take steps to correct it.

**Hon. Mr. MacNaughton:** Well I would presume the district is aware of it and in due course it will be attended to. I do not know. Maybe somebody else could tell us that. Could you tell us?

**Mr. McNab:** No. Certainly, if it is as you say, sir, unquestionably it will certainly be looked after by the district.

**Mr. Ferrier:** Well I would appreciate it if you would have them take a look at it.

**Mr. McNab:** What is that highway number again?

**Mr. Ferrier:** I think it is 629, from Timmins to the airport.

**Mr. Chairman:** Vote 802.

**Mr. Deacon:** In connection with signing, I raised the point with the minister and he replied to me about signs with regard to municipalities on King's highways. In a sense I still am not clear as to why certain types of signs and information are permitted. On entering North York on King's Highway No. 11, south of Steeles Avenue, on the west side of Yonge Street, there is certain information—"Welcome to North York", and population and the rest on it. Yet a similar sign that the town of Markham wished to have on entering that town on Highway 48

and other places where they enter the town of Markham would be refused.

The minister stated it is because it is a connecting link. Now I understand a connecting link is also a King's highway; it is part of the highway system. It is a connecting link going through the old town of Markham; it is designated in your book as a connecting link. Richmond Hill also is a connecting link. What is the difference?

**Hon. Mr. MacNaughton:** Well the reason, of course, is that once it becomes a connecting link it is under the jurisdiction of the municipality.

**Mr. Deacon:** Well, if it is under the jurisdiction of the municipality, does the department not cover the full cost on that?

**Hon. Mr. MacNaughton:** No, not always; it depends on the size of the community.

**Mr. Deacon:** As I was looking through the annual report and noted the funds spent, I saw there are a lot of places where the funds are directly spent on connecting links, including Richmond Hill. That is marked as a connecting link. How is it possible, therefore, for Richmond Hill to put up a sign of that type and yet not Markham?

**Hon. Mr. MacNaughton:** It is quite in order for any municipality to put up a sign on their connecting link, but once they get outside the limit of the connecting link then of course highway signing regulations apply.

**Mr. Deacon:** Surely if the department is concerned about signs, their simplicity, their design and things like that, they should be concerned about them in regard to whether it is in a connecting link or not a connecting link, and especially now with the reorganization of government, where we are having large municipalities such as—one I was just trying to think of one the other day. I was surprised to see how far out the municipality went; it may have been Guelph or one of the others. They are well out into the country, and certainly I would not think it would be part of a connecting link at that point. I am not just sure what—

**Hon. Mr. MacNaughton:** The connecting link extends within the boundaries of the municipality, wherever they are.

**Mr. Deacon:** Wherever they are?

**Hon. Mr. MacNaughton:** Yes.

**Mr. Deacon:** Even though they are away out in the country?

**Hon. Mr. MacNaughton:** Well it is still, as you say, part of the city of Guelph.

**Mr. Deacon:** Right. Well, how does the department justify treating a municipality of 30,000 in one case differently than a municipality of 30,000 in another case as far as signing is concerned? Because in each case they have connecting links within them.

**Hon. Mr. MacNaughton:** Well the connecting link is really their own road. It is not a highway. Under the connecting link agreement the municipality agrees to provide for that connection within its own boundaries, and it is totally under the jurisdiction of the municipality as is any street within that municipality.

**Mr. Deacon:** Well when I read in this report about funds that are spent by the department on connecting links, are they not funds that are spent entirely by the department? It is not a grant to the municipality; it is a natural, direct responsibility of the department.

**Hon. Mr. MacNaughton:** No, actually it is part of the agreement. All municipalities do not get 100 per cent. Some get 75 per cent; some get 90 per cent. It is determined largely by the size of the municipality.

A small municipality with a connecting link up to a limit of 2,500 population receives 100 per cent of those items that are eligible. A city gets 75 per cent, for example. But this is an agreement to permit an extension, if you like, of the service of a highway through a municipality over their street.

**Mr. Deacon:** For example, Mr. Chairman, the portion of Highway 7 that is being widened through the old town of Markham.

**Mr. McNab:** That is a King's highway.

**Mr. Deacon:** It is a King's highway, but you have marked down here the town of Markham as a connecting link.

**Mr. McNab:** I can explain that; it is a local situation.

**Hon. Mr. MacNaughton:** That has not been designated as a highway link.

**Mr. McNab:** Highway 48 is a connecting link, but Highway 7 is not a connecting link. It will be taken over, we presume, by the municipality as a connecting link when it is

constructed. Highway 48 used to be a completely assumed highway. We reconstructed it, and it was taken into the system as a connecting link; all future work on that will be 75 per cent or 90 per cent.

**Mr. Deacon:** In that case then, you say Highway 48 is a connecting link?

**Hon. Mr. MacNaughton:** It is under a connecting link agreement as it flows through the municipality.

**Mr. Deacon:** Right, fine! If it is a connecting link agreement, therefore it should be possible on Highway 48 for the town of Markham, which has within it a connecting link, to put up its own sign without The Department of Highways' approval.

**Hon. Mr. MacNaughton:** Exactly.

**Mr. Deacon:** Then why is it that the department will insist on jurisdiction over the sign within the municipality at its boundary when it has a connecting link on that highway, which is Highway 48?

**Hon. Mr. MacNaughton:** If it is outside the limits of the municipality, it comes under Highways.

**Mr. Deacon:** It is not outside the limit. The town of Markham has a portion which is the connecting link just like the city of Guelph has a connecting link.

**Hon. Mr. MacNaughton:** Right!

**Mr. Deacon:** It has a connecting link within the old town of Markham. The minister has told me that the sign can be put up at the boundary of the municipality wherever that is under its jurisdiction, as long as it has a connecting link within it. I am talking about the signs on Highway 48. On that highway, a portion within the old town of Markham is designated as a connecting link. Why would the municipality not have jurisdiction?

**Hon. Mr. MacNaughton:** I would think they would.

**Mr. Deacon:** Maybe Mr. Bidell could answer that directly.

**Hon. Mr. MacNaughton:** In those circumstances I would think they would, but there may be a better explanation.

**Mr. McNab:** Do you have a copy of the reply you got there, sir?

**Mr. Deacon:** Maybe, I will go and get it, but the reply did not sound right to me.

I think of the other situations in connecting links where I have seen municipalities putting up their own signs, and particularly when the sign they were putting up was almost identical to the sign that North York put up and Guelph put up and other municipalities put up. It was not a garish sign. It was a sign similar to those on the country roads that are put up on other roads that I see.

**Hon. Mr. MacNaughton:** It is a field advertising sign, really.

**Mr. Deacon:** It just says, "population," "welcome to . . ." and all this.

**Mr. McNab:** There was one sign that I know we had to have taken down. It had flashing lights on it and was set up with sandbags, but I think that was indicating some art show or festival or something.

**Mr. Deacon:** I can understand objection to those types of signs. I am talking about a municipality in this case that has a connecting link within it. In my view it should have the right to put up a sign, within reason anyway, without the department ordering the signs being removed.

**Hon. Mr. MacNaughton:** In that situation, if it is within the limit of a designated connecting link, under an agreement, they have the privilege.

**Mr. Deacon:** I am sorry; I repeat, this is within the boundaries of this municipality. The municipality has within its boundaries a connecting link. It is a situation that is parallel to the city of Guelph, where the city of Guelph has a connecting link within the boundaries, maybe of the old city. The new boundaries are way out in the country, but its sign is at the boundaries of the municipality as one enters.

**Mr. McNab:** I do not know. You cannot assume—in Guelph—the connecting link might run right out to it.

**Hon. Mr. MacNaughton:** It is just inside the terminal.

**Mr. Deacon:** I am thinking of some other municipalities in the new setup. I have seen some of these municipalities, they have been greatly expanded under the new legislation, and I can hardly imagine that the connecting link agreement has been moved out that far. Maybe it has. I would be very surprised.

**Mr. McNab:** It is quite possible that it would have.



**Mr. Deacon:** What the deputy minister is saying to me is that the sign has to be put up at the boundary, where the connecting link agreement begins?

**Mr. McNab:** If it is a special type of sign, if it is not a sign that complies completely with the regulations. The connecting link is their highway. It is their road. We pay a subsidy on it, but it is vested in the municipality. If it is on that portion—

**Mr. Deacon:** We are going around in circles.

**Hon. Mr. MacNaughton:** I am not getting the message quite clearly.

**Mr. Deacon:** At the boundaries of North York and the boundaries of the city of Guelph there are signs that the municipalities have put up which say "welcome to . . ." and it has the population on it. That is the type of sign it is.

Now in connection with the town of Markham, it erected on Highway 48—a portion of which is a designated link, or connecting link—it erected a sign at its boundaries saying "Welcome To the Town of Markham; Population." The same type of sign as I see at the border of North York. Now the connecting link is that portion within the old town of Markham. The town has every right to erect a sign that says "Welcome to the Town of Markham"—

**Hon. Mr. MacNaughton:** Inside!

**Mr. Deacon:** —inside its boundary. But that is not where its boundary is; its boundary is farther on. And I am asking why it is, if the minister originally told me they can put up a sign at the boundary, why they cannot erect a sign there instead of a sign down at the old boundary, which is meaningless?

**Mr. McNab:** They can.

**Hon. Mr. MacNaughton:** They should apply for an extension of that connecting link as far as the boundary.

**Mr. Deacon:** No, I am not talking about that.

**Mr. McNab:** They have put a standard sign, and we have probably put it up for them, designating Markham, but not the message on it. It is at the top of the limits there, on the expanded area. They have put something much more than that at that location.

**Mr. Deacon:** They just had the same as North York has at its boundary. They had just the same as Guelph has on its sign as you come into Guelph. Maybe the connecting link agreement on all these other municipalities where I see this type of sign does begin at their boundary. But I will be very surprised if they do in all these situations.

**Mr. McNab:** Well we have a complete connecting link book. I do not think we have it over here. It covers connecting links in every municipality.

**Mr. Deacon:** It does seem to be very technical when the department says, "Yes, you can put a sign here, but you cannot put a sign on your boundary;" and it is in complete contradiction. It is not contradictory so much as sticking to the technicalities of the situation. I do not think it helps the public relations of the department to be so autocratic, and so—

**Hon. Mr. MacNaughton:** It is not a matter of being autocratic, it is a matter of regulations; and there is a limit to the extent to which you can change them or the whole policy falls apart. It would be my idea if they want to do those things they should apply and it is then a matter of approval. They should consider applying for an amendment to their connecting link agreement.

**Mr. Deacon:** Well, it may be the department—

**Hon. Mr. MacNaughton:** That portion is probably not designated.

**Mr. Deacon:** We will just be very glad to have you continue to pay all expenses up there, and then put the boundary sign down within the old limits. But it is pretty ridiculous. It is pretty ridiculous to say, "No, you cannot have the sign up at your boundary. You have got to have it in the old town." I think if we tolerate signing of this sort anywhere, whether it be on a connecting link or not, we should allow it right out to the boundaries.

**Hon. Mr. MacNaughton:** They can put up a sign now indicating that it is Markham and the population. That is the standard sign.

**Mr. Deacon:** Well I think that the sign was so close to what I would consider a highway standard, and certainly one that I have seen in other portions of towns that are well out into the country. I would think that

the department in this case seems to be a little unreasonable.

**Mr. McNab:** I would like to see that letter.

**Mr. Deacon:** I will get that reply and I will go back over it with the deputy minister.

The next thing, I am interested in the deputy minister's comments concerning resurfacing of old type concrete highways where there is the old bump, bump bump. They are trying to eliminate it, and I understand you to say that you are resurfacing with a fairly thin layer.

**Mr. McNab:** A thin overlay.

**Mr. Deacon:** A thin overlay is good for a year or two?

**Mr. McNab:** Four or five years.

**Mr. Deacon:** There is no way I suppose, other than ripping up the old concrete, of ever really fixing that sort of a situation?

**Mr. McNab:** Well it is most difficult. You can go for the extremely heavy asphalt layers, and we do run a lot of the heavy duty where it has really gone, you know after a period of 15 or 20 years. You figure you are going to have to do that.

**Mr. Deacon:** But I am thinking in this case of the problem. Is there any way of actually stopping the movement-joints in the concrete—so when do you do an overlay—

**Mr. McNab:** Well what we did down in Essex, and what we do generally where we do overlays, we go along first and chamfer it up, if you can understand, with a bit of cold mix. Chamfer the thing up and tamp it in, you see, and then put your layer over it so that it takes those bumps. Generally when it starts to do that it is going to do it for the life of the pavement, gradually. That is one of the penalties of concrete pavement.

There is a tremendous amount of research going in. We have changed our design again this year—the portland cement people working with our own designers. With concrete pavement, once it starts, if you get a little bump in there then it is the pounding—that is the impact—and that generally occurs at the joints.

**Mr. Deacon:** Is there evidence to show that concrete highways in the long run are far more expensive than asphalt? I would think that the fact that, once they start to go like this, they require so much—

**Mr. McNab:** Well I think that maybe Mr. Adcock could answer this much more intelligently than I could.

**Mr. H. W. Adcock** (Assistant Deputy Minister, Engineering): This is a very difficult question to answer, because it covers so many situations. When we are using and have been using recently a concrete pavement it has been based on economics.

We can get away with a lot less gravel under a concrete pavement than we can under an asphalt pavement. And if gravel is very scarce, as it is in the area that we are talking about, around Metro Toronto, then it looks as if the economists are in favour of a concrete pavement. But how long is that pavement going to last? This is the question.

With our modern designs and with what the deputy referred to earlier as a load transfer device—that is a mechanism with steel bars in it that stops the stepping action of the two slabs—we are getting away from that part of the problem. But will the concrete pavement last, in effect, say three times as long as the asphalt pavement?

There is a great deal of argument about this in the business. If it will, then it is an economic proposition. If it will not, then maybe it is not. Again, it depends on so many of these variables.

Other problems of course are resurfacing a road, for instance, like the Toronto bypass. It becomes quite a proposition, because of all the drainage facilities that are there—catchbasins, manholes, curb and gutter and so on. If, in fact, an asphalt pavement was only going to last 10 years and a concrete pavement say 30 years, then two resurfacings of an asphalt pavement would cause you tremendous problems in raising curbs, gutters, catchbasins, manholes and so on. So you have to take all of these things into account, and on a road like the Toronto bypass, we feel that concrete is the more economic proposition. But that again is very dependent on how long that is going to last, and we do not really know how long some of these pavements are going to last.

**Mr. Deacon:** On the matter of resurfacing asphalt, when it came to catchbasins and things like that, I thought you cut around and actually avoided—

**Mr. Adcock:** In some instances you can, but in a great number you cannot.

**Mr. Deacon:** The next point I wanted to bring up was the matter of maintenance—

I gather turning lanes come into maintenance, is that correct?

**Mr. McNab:** Or construction.

**Hon. Mr. MacNaughton:** Whatever you like.

**Mr. Deacon:** Because I just want to talk about the actual reconstruction of a highway, where we are making some adjustments on corners. I did not know whether I should be discussing this under maintenance.

**Mr. McNab:** It is actually under construction.

**Mr. Deacon:** Is it actually, because a lot of these things are old roads?

**Mr. McNab:** We still let capital contracts.

**Mr. Deacon:** You let capital contracts for them.

Then on the matter of the hard-surfacing of certain areas, I know that it is illegal for vehicles to run on the shoulders of a road, but, say coming out of the old town of Markham, where trucks have a hard time getting going, they show courtesy to motorists who are piled up behind them by moving off and climbing up the shoulder so a fleet of motorists can get by.

Under conditions like this, could we have a little surface treatment that would handle that, because certainly the dust layer does not seem to last very long?

**Mr. McNab:** I think possibly if you are talking about Highway 7—

**Mr. Deacon:** Highway 48.

**Mr. McNab:** Highway 48. Well, I was going to say Highway 7 probably would have paved shoulders because of the heavy volume; I am not just sure. But as for allowing and encouraging trucks to go on shoulders, you have to figure that if you are going to do that you are going to have to build your shoulders to the same strength as your pavement. If this is encouraged to go on, what you are better to do under those circumstances, if there is a lot of truck traffic on a grade, is to have a climbing lane. They are constructing a number of climbing lanes.

**Mr. Deacon:** Right. I am pleased to see that. I agree that there needs to be more done, but it is good to see that. But I notice on Don Mills Road, which is a county road—

**Hon. Mr. MacNaughton:** It is either too much or too little; it is awfully hard to determine that, you know.

**Mr. Deacon:** It is actually Don Mills Road north of Finch within the city of Toronto and it is called Woodbine Avenue. For example, at the Finch Avenue intersection there is a stoplight. The trucks do run up that shoulder and it is just a surfaced shoulder; it is not a proper climbing lane. They have been doing that now certainly for 15 years; at least 15 or 18 years that the road has been built. Yet that has not broken down. It is not the same surface composition on the shoulder as on the main pavement. I am impressed by the fact that the county did surface it. It has served a very useful purpose in allowing traffic to get by.

**Mr. McNab:** It is not so much the surface, sir. It is the structure of the road underneath. If it is a solid granular shoulder, then it possibly will take heavy loads. But the average shoulder, of course, is not built to that strength and it is quite possible Rettie built that in that area with gravel to the same depth as is under the road itself.

**Mr. Deacon:** That is interesting. I thought that they would have built to the same specs as you build on your highways.

**Mr. McNab:** I am not saying he has done this. This would probably not be general along the whole road, but at some locations they might have anticipated this type of thing. I could not say.

**Mr. Deacon:** If the same sort of shoulder construction was used on Highway 48, where the problem is arising on the south side of Markham—the old town of Markham—perhaps if that construction was done there they could do the same sort of hard surfacing on that portion where we are getting so much complaint of dust from the neighbouring residents.

My next point is in connection with maintenance of roads where we make grants. This also comes under this vote, I gather, does it not? Does the department check into programmes of maintenance of the counties?

**Mr. McNab:** Oh yes, county standards.

**Mr. C. R. Wilmot (Municipal Roads Branch):** Could you be more specific, sir?

**Mr. Deacon:** Yes. I am thinking particularly of the resurfacing of the York county road between Bayview Avenue and Don



Mills Road last year. The engineer said that there was some checking in the road, but most people were absolutely shaken when a very well-surfaced road was covered with sand base and then new asphalt was laid. I would think, within 10 to 12 years of when it had been originally constructed. It was one of the better roads in the county.

**Mr. Wilmot:** Before this work was done sir, did you ever get out and walk the pavement and examine it carefully?

**Mr. Deacon:** Yes, I actually ride a bicycle over that occasionally so I know that pavement quite well. I can assure you there are a lot of other county pavements that were in far worse shape than that.

**Mr. Wilmot:** I am not familiar with the particular one that you describe, but I do know that there have been particular problems in your area with pavement deterioration through—

**Mr. Deacon:** I was wondering why there would be an approval there? What sort of work do you do to work out priorities of maintenance work of any sort with the municipalities, because certainly that, along with construction of the Kennedy Road link between Steeles Avenue—the road to nowhere, as people point out—the Kennedy Road link between Steeles Avenue and Highway 7, was another one where people said: “Why would we be spending our road dollars in those ways when there are so many other roads that need far more work for the amount of traffic they carry?” Do you work out a priority for this one?

**Mr. Wilmot:** You have raised a whole host of issues in this. Insofar as maintenance is concerned, you might be interested to know the region is participating in the development of a maintenance management system.

They have been at this for almost a year and they are one of eight municipalities in the province in this programme. We expect within another month to have it available for all municipalities in the province which wish to use it.

As you probably realize, many of the roads in the south end of York are very high-volume roads. York is not in a position that it can let a pavement go completely out of condition before it is replaced. It may be, in the particular case that you cite, they anticipated a failure which perhaps would not have occurred. If you would like

me to check into it further—have a conversation with these regional people—I certainly could.

**Mr. Deacon:** I have a report from the former county road engineer on the situation, but I can assure you that it is one which was the source of a lot of amusement on the part of people who do travel roads around that way. Truckers and others said they felt there was no basis they could see for the priorities that were given. I do feel that I would be very much interested in the criteria of the road maintenance programme that the department has developed, so there can be a greater understanding of the judgement that is applied in making a decision.

**Mr. Wilmot:** I would be very pleased to send you a rather lengthy, voluminous report on how to install a maintenance management system, if you would be interested, sir.

**Mr. Deacon:** I would be glad to return it to you after I have had it looked over by some people who are rather interested in our system of judging priorities in these expenditures.

**Mr. Chairman:** Vote 802 carried?

**Mr. E. W. Martel (Sudbury East):** Mr. Chairman—

**Mr. Chairman:** Mr. Martel?

**Mr. Martel:** Yes; I spoke last night about upkeep on the unorganized townships. Mr. Minister, I have had a number of townships contact me, you know, because they have rather large jurisdictions to cover with the township roads. And I know you are giving in the neighbourhood of 65 or 70 per cent for upkeep of the roads, even in the organized townships.

The basic problem still comes back to the one I raised last night with the unorganized townships that when the roads were originally constructed, they were not of a high quality.

I became involved over a number of school busing problems, in that because they did not have adequate funds they could not maintain these roads in an adequate state for school buses to move along rather rapidly. Consequently, kids were having to leave at 7:30 in the morning for a school which was only 20 miles away, simply because the buses could not really go at the speed that

was necessary in order to cover the distance in a shorter time.

I know that you give up to 65 per cent—possibly more in some areas—for maintenance, but has consideration been given to the number of miles some of these townships have under their jurisdiction and really what type of strain it is on their budgets when they have to look after 35, 40 or 50 miles of road?

**Hon. Mr. MacNaughton:** Of course, the rate of assistance is determined between the municipality and the department. I guess it is appropriate to say that it is not limited always to 65 per cent. It can be substantially higher than that when it appears to be warranted. It is determined on that basis.

**Mr. Martel:** I bring to your attention one road that used to belong to the department. I think the number used is 539, what they call the old back road between St. Charles and Warren, which was eventually turned over to Ratter and Dunnet townships to maintain. They have been trying to get you people to take it back. They simply do not have the funds to look after that road in any condition.

**Hon. Mr. MacNaughton:** I may be wrong on this. I stand to be corrected. I rather would assume that if that was turned back there was a quid pro quo. We probably built something else for them which they wanted and assigned a higher priority to it. Is that a possibility, Mr. Wilmot?

**Mr. Wilmot:** I am not familiar with this case.

**Hon. Mr. MacNaughton:** But it could be that way; it is possible.

**Mr. Martel:** I know they have been in negotiations with the North Bay office for a year and a half at least trying to get this matter resolved. They simply maintain that the funds necessary to maintain that old road—and there are a number of people who live on it—just drains their budget for anything else.

**Hon. Mr. MacNaughton:** May I say to the hon. member we will review this situation. I have not got all the figures.

**Mr. Martel:** I want to talk then about this Algonquin road. We had difficulty finding it a year ago. It is the old Highway 69 south. It actually serves two subdivisions. The Department of Highways does not want it. It would love the local road board to take it over. The local road board would take it over if the department would put it up to standard.

We have problems there every year. In the last two years, there have been work orders amounting to about \$15,000 or \$16,000. Again this spring some real problems developed. The drainage was very, very poor. There is a number of damage claims pending with the DHO right now because the water was so high over the road that the people did not realize it. They could not pick out the pot-holes and there were broken springs in there. But my main concern is either take the road over and look after it properly and spend the funds, because even buses do not want to go into the area, or bring it up to standard and turn it over.

**Mr. McNab:** Whose road is it?

**Mr. Martel:** It is The Department of Highways' road. But it does not want it. It would love the local road board people to take it over. They will not take it over until the department puts it into a decent standard. So, consequently, it gets short-changed rather frequently. Your predecessor, when I requested it, had it looked over and there were two work orders. About \$15,000 or \$16,000 of work was done in the last two summers. It is still not up to standard. It is full of pot-holes.

**Hon. Mr. MacNaughton:** What is the name of the local roads board?

**Mr. Martel:** It is the one in Broder township. There are about three local roads boards—Mr. Yeomans, and John Rowland is the secretary-treasurer, I believe, or the treasurer, of the local roads board.

**Hon. Mr. MacNaughton:** Is that enough information for you, Mr. Wilmot?

**Mr. Martel:** The other road I want to talk about, and the maintenance on it, is 537 which is a Department of Highways secondary road, I believe, running from Highway 17 east to 69 south. I deliberately drove across it three weeks ago, because I knew the estimates were coming up. Each year I try to find out the conditions of the roads in the area I represent.

This is deplorable, and I suggest what could be done and should be done with that road is that it should be made the first part of a circle bypass for the city of Sudbury. Then it should be brought up to standard. It would alleviate the necessity for transport trucks, and so on, to go into the city of Sudbury, right through the city and down 69 or across to 17 east.

At the same time you could then take the Coniston bypass from Coniston to Garson and detour all of the heavy traffic serving the mining industry right as far as Capreol, without trucks having to go through the city of Sudbury. If you brought it up to standard, you would not have to worry about the maintenance of it anymore.

It just seems to me that one of the major problems in the Sudbury area is eventually getting a bypass. Certainly the deputy and I have had a considerable amount of correspondence with respect to a bypass. This should be one of the links in that bypass in that it would link the Trans-Canada to 69 south.

**Hon. Mr. MacNaughton:** That sort of transcends the maintenance vote, I would suggest.

**Mr. Martel:** I bring it up under maintenance simply because I cannot be here on Monday and the maintenance of the road is deplorable as it is. I have written to you in the last two weeks about it.

**Mr. McNab:** Your proposal is a ring road and the upgrading of this road to connect with something from Coniston on to Garson.

**Mr. Martel:** You have that.

**Mr. McNab:** Yesterday, I believe, we mentioned the fact that this study would be available this year in completed form for presentation. This area is covered.

**Mr. Martel:** There is already a bypass from Coniston to Garson.

**Mr. McNab:** No—

**Mr. Martel:** Yes, certainly there is.

**Mr. McNab:** No, but I thought you were talking about—

**Mr. Martel:** I am talking Wahnapiatae.

**Mr. McNab:** Road 537.

**Mr. Martel:** Right.

**Mr. McNab:** Okay.

**Mr. Martel:** Because it could be part of that.

**Mr. McNab:** Yes, that is what I am saying; to hook up with the bypass you have from Coniston to Garson.

**Mr. Martel:** Right.

**Mr. McNab:** But this is dealt with; this ring road, the roads around Sudbury are

dealt with in this study that is coming this year.

**Mr. Martel:** Could we at least have this year some improvement on what exists right now on 537? I sent a letter to you in the last two weeks from one of the local roads board chairmen. He complains about the condition; I drove over it about three weeks ago and it is really in bad shape. I guess it does not serve that many people, but it is quite a distance.

**Mr. McNab:** I have to observe, I think—and I think there is some sense to it—that if the report has been indicated as being available this year, it shows that this should form part of the ring road and then there would have to be some extensive capital work done on it. In those circumstances, it is not unusual to limit the interim work, if you are going to approach it on, let us say, a capital construction programme.

**Mr. Martel:** The only problem is that people are still using that road. I am not saying to make it into a superhighway right now—

**Mr. McNab:** No, I understand. You are looking for improved maintenance. It will be getting some maintenance, in the ordinary course of events, from the district. I would be sure of that. How extensive you should do that or how much money you should spend on it when we may be considering an altogether different—

**Mr. Martel:** I do not want to see a whole lot of money wasted if it is going to be part of the linkup.

**Mr. McNab:** This is what we will know when the report comes out. However, in the intervening period we will ask the maintenance people to take a look.

**Mr. Martel:** Right. I have a couple of other small problems. You spoke about passing lanes. I would hope that consideration, Mr. Minister, will be given also to the two main routes in northern Ontario. We would like to see a good deal more passing lanes, simply because you can drive from Sudbury to Toronto in about four hours if there is no traffic, but it takes about six hours if there is traffic and you get into the bottlenecks. There are about four areas in particular that make it bad. There is the area between Parry Sound and the turnoff to Gravenhurst, and about 20 miles south of that; and in the French River area.



If there could be bypasses, it would do a lot of things, I think, like cutting down on transportation costs for commodities going north because it would reduce the travelling time by several hours. It would also decrease the number of accidents, which is vital in that area. Driving that road in the last three years, I have seen some pretty tragic accidents.

**Hon. Mr. MacNaughton:** Well we are building many passing lanes in many areas of the province now. I suppose one of the principal restrictions is that there are not enough funds to build them all at one time; so I think it is safe to say that as succeeding budgets come along there will be more passing lane work done. But certainly you cannot build them everywhere when required out of one budget. This is impossible.

**Mr. Martel:** No, but the point I am making is that in northern Ontario, we are not going to get four-lane highways; the volume of traffic, as opposed to southern Ontario, just is not there. The solution to the transportation problem and convenience of the travelling public has to be in passing lanes.

**Hon. Mr. MacNaughton:** Quite correct; and as I say they will be built as the budget permits. We are doing it now, so the extension of that work will carry on.

**Mr. Martel:** Well, from where the two-lane section starts on Highway 400 right through to Sudbury, there is only one passing lane.

**Hon. Mr. MacNaughton:** That may be correct, but there would be passing lanes in similar situations where other communities are involved. We cannot put them all in Sudbury if we have need for them elsewhere.

**Mr. Martel:** I am suggesting that on the two main thoroughfares in northern Ontario, Highway 11 and Highway 17, there should be considerable work in that respect. Your transportation study will indicate that to cut down the cost of transportation of goods into northern Ontario, it is going to have to be with more rapid transportation. If the quality of the road does not allow the rapid transportation, you are not going to be able to reduce the costs of transportation in northern Ontario.

**Mr. Chairman:** Could we get on to the next point? I think we are back on construction.

**Mr. Martel:** I will leave that then.

One other point; it is on the Santa Fe trail—I drove across it last week—that is the road to Timmins, Highway 144. I have complained rather bitterly in the past three years over the width of that road. You cannot convince me, after having driven over it, that people are going to be able even to change a tire without leaving part of their car on the travelled portion of the highway in many places. It is going to be impossible.

Your standards call for 24 feet, I believe. There are places that are away below 24 feet and the shoulders are not big enough to take your car right off to make—let us say you had a flat tire.

**Mr. Ruston:** We have lots of roads like that.

**Mr. Martel:** You know, that is tokenism, that type of road. It is supposed to be a major link between Sudbury and Timmins.

**Mr. Gaunt:** I have a few

**Mr. B. Newman (Windsor-Walkerville):** What else is new?

**Mr. Ruston:** We have lots of roads like that in Essex county.

**Hon. Mr. MacNaughton:** I have often suggested to northern members that they come down and see some of the roads that are quite satisfactory in this portion of the province.

**Mr. Martel:** I have driven on many of the roads in southern Ontario.

**Hon. Mr. MacNaughton:** I could show you some that satisfy the people very, very well. They perform the service that is required but that never seems to satisfy situations where there is not the traffic volume or anything like it. The first approach in terms of Highway 144 was to get a road through, get it built. As a matter of fact, there were many complaints—

**Mr. Martel:** It was 30 years coming.

**Hon. Mr. MacNaughton:** Let us forget the past and live in the present or, at least, consider the future, shall we?

**Mr. Martel:** Right!

**Hon. Mr. MacNaughton:** It took a considerable amount of time to find the alignment, and that did not please everybody; but I

hope it pleased the majority. It is a long stretch of road.

Mr. Martel: Right!

Hon. Mr. MacNaughton: The determination was to get a road to connect those two communities. I would have to say that the majority of people that I talked to up there are very happy that it has been completed.

Mr. Martel: It is quite obvious we have not been talking to the same people.

Hon. Mr. MacNaughton: I have a considerable amount of respect for the people I do talk to.

Mr. Martel: You know, by the same token, I have a hell of a lot of respect for the people I talk to.

Hon. Mr. MacNaughton: That is fair enough. Let us say that the road is built and you can get from Sudbury to Timmins, not too badly either; not too badly. There have been complaints about the time factor; many complaints about the time factor. I suppose, if we were to not worry about the time factor, other complaints would have arisen; if we attempted to do anything different, then we would be too slow in getting there.

Mr. Martel: You were 30 years!

Hon. Mr. MacNaughton: No, not from the time it was started and that was—

Mr. Martel: From the time the promises started; let us put it that way then.

Hon. Mr. MacNaughton: The promise that was made to build it was made by me, and from that point on it went on pretty well.

Mr. Martel: Well, Mr. Minister, I know people who cut brush on that 25 years ago when it was going to go behind—

Hon. Mr. MacNaughton: I was not here 25 years ago! Very few of us were.

Mr. Martel: I was not here. I am just saying that the talk about a highway to Timmins started long before your time, Mr. Minister, long before your time. In fact it has been an election promise for years.

Hon. Mr. MacNaughton: Let us say it was built in my time.

Mr. Martel: Oh, it was built in your time.

Hon. Mr. MacNaughton: All right, let us put it that way, shall we?

Mr. Martel: The promise was there.

One other point: I cannot be here Monday, I wonder if I can throw in a point on construction?

Mr. Chairman: Would you like to carry 802?

Mr. Gaunt: I have one matter on 802 that I want to discuss.

Mr. Martel: I want to raise a very brief point, if I could have the minister's indulgence.

Hon. Mr. MacNaughton: I hope your brief point is briefer than most of the ones you have raised.

Mr. Martel: This one is brief. I understand, on Highway 69 north—I am told by your people and by the OPP in Sudbury—it is necessary to keep extra police on that road all the time now. It simply cannot handle the volume of traffic.

I have written and asked that it be made into four lanes, because both Falconbridge and Inco have opened up a number of new mines north of Sudbury. The traffic in there is just—they have extra police. They have at least four cars there every night.

Hon. Mr. MacNaughton: To save you some time, I think we will have to go back to the previous reference to the study that will be completed this year. This is all incorporated in that study.

Mr. Martel: Okay. Thank you, Mr. Minister. My problems will be solved once the report comes out.

Hon. Mr. MacNaughton: You might hope that the study recommends some of the things that you are proposing.

Mr. Martel: Thank you, Mr. Minister.

Mr. Chairman: Is 802 carried?

Mr. Gaunt: No, Mr. Chairman.

Mr. Chairman: It is now 1 o'clock and we will adjourn until Monday afternoon.

Hon. Mr. MacNaughton: Before we leave, because of the interest in road maps of the member for Windsor-Walkerville, I have brought him one. I am not trying to be facetious, but I brought him a 1968 road map that he might be interested in having.

The committee adjourned at 1 o'clock, p.m.

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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Transportation  
and Communications

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Monday, June 28, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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# LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JUNE 28, 1971

The committee met at 3:40 o'clock, p.m., in committee room No. 1; Mr. M. Hamilton in the chair.

## ESTIMATES, DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

(continued)

On vote 802:

**Mr. Chairman:** On vote 802, I believe Mr. Haggerty was lined up on Friday to speak next on vote 802.

**Mr. R. Haggerty (Welland South):** No, I thought he had me marked down for 803.

**Mr. L. C. Henderson (Lambton):** Vote 802 was carried, Mr. Chairman.

**Mr. R. F. Ruston (Essex-Kent):** No, it is not, we are on 802.

**Mr. Chairman:** I thought you said you wanted to speak on 802.

**Mr. Haggerty:** No, on 803.

**Mr. Chairman:** Well, on our vote 803, the first one from Friday was Mr. Morrow.

**Mr. Ruston:** We are on 802.

Interjections by hon. members.

**Hon. C. S. MacNaughton (Minister of Transportation and Communications):** We gave Mr. Martel certain privileges because he was not going to be here today.

**An hon. member:** That is right.

**Mr. Chairman:** I believe that is correct. Then, Mr. Ruston on vote 802.

**Mr. Ruston:** Mr. Chairman, I wanted to inquire about the policy now as to the weed-cutting programme. The member for Essex South had a great number of calls over the weekend about the weeds growing and not being taken care of on Highways 18, 77 and 3. There was some talk a year or two ago that you were going to cut one swath alongside the road and then the rest would be

sprayed; there would be no cutting whatsoever. This just does not seem to be panning out very well and the growth is getting pretty high. With unemployment the way it is now, it seems to me we should be having these roads kept up in a neat way, since there is plenty of opportunity to hire good men to do this work.

Is this still the kind of a system you have where you are just cutting one swath on a what are called two-lane highways?

**Hon. Mr. MacNaughton:** Yes, and then of course we will spray as well.

**Mr. Ruston:** But spraying is not the answer to it, because it is just growing up so fast you are getting nowhere. It is an awful-looking sight; most of those roads are terrible.

**Hon. Mr. MacNaughton:** Well, I would have to say to the hon. member I would not know how much more money I can get out of the Treasurer when he is projecting a \$402-million deficit already. Something has to give in every department to do the basic programmes that are required. He has moved in other directions as far as unemployment is concerned, and I simply suggest I can go back and see him but I would anticipate some difficulty.

**Mr. Ruston:** In other words, you are saying you are cutting down on this project because of the deficit the Treasurer has?

**Hon. Mr. MacNaughton:** I am cutting down on this project because of the allocation of funds he gave the Minister of Highways for his purposes.

**Mr. Ruston:** These highways I am speaking of are provincial highways. You gave a lot of them in the county back to the county; we are getting along with them, but I think the ones you still have you certainly should look after.

**Hon. Mr. MacNaughton:** Well, to the extent that we can do this within the funds which have been allocated, we propose to do it.

**Mr. Ruston:** Okay, that is the only thing I had on weed cutting.

**Mr. Chairman:** Mr. Bolton.

**Mr. K. C. Bolton** (Middlesex South): Yes, Mr. Chairman. A question about the resurfacing of Highway 81 between the town of Strathroy and Highway 2 near Delaware. There have been a great many complaints from that area about the road being in very poor repair. It is listed for improvement within the next five years, but they are urging that some action be taken now to improve the conditions.

**Hon. Mr. MacNaughton:** Well, I guess to be categorical again, I would have to suggest that our budget does not permit us to improve all roads in the province that require it. Some of us in every jurisdiction have to be content with something less than the quality of road surface we would like to drive on, but it is an impossibility. It would not be possible to get an allocation of funds to do all these things at once. I understand this one is scheduled for 1972-1973, which is the next construction year.

**Mr. Bolton:** And nothing can be done meanwhile to give some relief to the situation?

**Hon. Mr. MacNaughton:** Not at all. There will be normal maintenance, the defects will be improved, pavement patching and all those things that go with the maintenance programme, to maintain reasonable driving standards.

**Mr. Bolton:** Then I am promised that much, that there will be better maintenance than they have at the moment?

**Hon. Mr. MacNaughton:** Well, I would have to say that is the general policy of the department. It cannot be carried out as extensively on all roads either. We take a look at the quality of the driving surface, the districts advise us on the priorities in each and every jurisdiction and we assign our funds to those. Whether Highway 81 is one of them or not, I cannot say.

**Mr. Bolton:** You had the letter from the clerk saying it is the worst road he travelled on between here and Sudbury on a recent trip?

**Hon. Mr. MacNaughton:** I imagine we hear from the clerk, yes. We quite frequently do.

**Mr. Bolton:** He sent his letter on June 22.

**Hon. Mr. MacNaughton:** Yes, well, I imagine we—

**Mr. J. E. Bullbrook** (Sarnia): May I ask a question concurrent with this? I travel it twice a week; it is abysmal from Mount Brydges. It is not too bad from Strathroy to Mount Brydges; it is terrible from Mount Brydges on to Delaware.

But there is a peculiar situation that obtains on that road that I have not experienced on any other road, Mr. Minister, and that is a very uniform and continuous elevation and ridging. I wonder if the deputy has travelled it recently.

**Mr. A. T. C. McNab** (Deputy Minister): Yes.

**Mr. Bullbrook:** You go literally for miles, and every 100 or 200 feet you go bump. It is not the normal junction—

**Mr. McNab:** It is referred to as stepping.

**Mr. Bullbrook:** Pardon?

**Mr. McNab:** Stepping.

**Mr. Bullbrook:** It is not that normal a situation; perhaps you could explain that?

**Mr. McNab:** Well, it is a concrete base that has been resurfaced, and this stepping is occurring at the joints facing it.

**Hon. Mr. MacNaughton:** This is what took place at Highway 401 between Tilbury and Windsor, is it not?

**Mr. McNab:** It is the same type of thing.

**Mr. Bullbrook:** It really is as a matter of interest; it is a firm conviction made by him—and I recognize the need for establishment of priorities within the department—but really, between here and Sarnia, it is far and away the worst stretch of road if one attempts to take that internal route through Lambeth and Delaware.

**Hon. Mr. MacNaughton:** Highway 81?

**Mr. Bullbrook:** Right.

**Hon. Mr. MacNaughton:** Well, of course not so long ago it was that way in the Parkhill area, but we have got that one fixed. These are staged programmes; you cannot do them all at once.

**Mr. McNab:** There is one thing in setting priorities, I think it should be told. We have two situations: We have some where it is uncomfortable to drive, in other words it is bumpy; and another where the road breaks up and you have difficulty in getting through. This to my mind, of course, is much more serious. We would like to get it all done but, as the minister states, he can only provide us with so many approvals on the amount of money that is available.

**Mr. Bullbrook:** The bridge overpass you did just outside Mount Brydges took a lengthy time—extremely long, I think. It must have, without exaggeration, taken 15 months to complete that overpass.

**Mr. McNab:** Would it be near Caradoc?

**Mr. Bullbrook:** I think it was, as a matter of fact. It would be interesting to know on balance whether that was such a priority need, having regard to the resurfacing aspect of things. But that is the decision that we, as members, have to leave to your people.

**Mr. Chairman:** Mr. Stokes?

**Mr. J. E. Stokes (Thunder Bay):** Yes, thank you, Mr. Chairman. I have several matters that I want to bring up and I appreciate the fact that you are spending a significant amount of money on tertiary road 800, which is the Spruce River road which runs north from Highway 11-17, just east of the city of Thunder Bay.

I have written to the department on numerous occasions in the past about the top end of road 800—I do not think they call it that. It is sort of an access road, north of Kab Lake I think it is. The road has been closed two or three times in the last 18 months because of alignment and the inability of road crews to keep it free from snow.

I am wondering, is there any money in these estimates for the top end of tertiary road 800 between Kab Lake and Armstrong, which includes the Gull Bay reserve? I think you can put it out under contract to keep the snow removal operations going, but it has been closed almost yearly for several days in the spring because of their inability to keep it ploughed. And, of course, during breakup it means about eight or 10 inches of slush and until they get a grader that can get in there and cut it down the road becomes impassable. It is the only exit out of Gull Bay and Armstrong by road down to Thunder Bay.

Is there any money in these estimates from that strip of road? I know you are spending quite a bit on the bottom end of it.

**Hon. Mr. MacNaughton:** Actually that is under the Lands and Forests vote. Much of this road is part of an industrial road agreement with the company. We provide funds for maintenance and it is done in some instances by the company itself. But there are funds in The Department of Lands and Forests vote for this.

**Mr. Stokes:** Yes, I think for the top end it is a Lands and Forests vote, it is a joint agreement part way down and then it is the responsibility of this department at the lower end.

**Hon. Mr. MacNaughton:** Right.

**Mr. Stokes:** Yes. Well, that would mean that the minister would be a member of the committee that looks after the Roads to Resources programme, would he not?

**Hon. Mr. MacNaughton:** Right.

**Mr. Stokes:** Could I prevail upon the minister to see if something cannot be done for the top end of the road?

**Hon. Mr. MacNaughton:** Yes, I can look into that and see whatever their funds are allocated to. I might say they have some funds for this purpose, so we will look into that at the committee.

**Mr. Stokes:** Yes, fine. All right, now where do I bring up the matter of signs along highways? I have had considerable discussion with the regional director about signs.

**Hon. Mr. MacNaughton:** Maintenance; you are all right.

**Mr. Stokes:** All right. About a year ago I was approached by a regional tourist association which looks after the interests of the tourists north from Highway 11 right through to Longlac. Their complaint was that they could not put a sign up at the junction of Highways 11 and 17 because there were only so many sites allocated for so many miles of road.

Unfortunately, the only sign that they were allowed to put up was several miles west of the intersection, so that people had forgotten about it by the time they got to the intersection. Consequently the people in the Beardmore, Jellicoe, Geraldton and Longlac area felt they were being shortchanged in



not being allowed to put up a sign much closer to the intersection which would draw to the attention of the public that there was quite a bit of recreational potential north along Highway 17.

I approached the regional director and asked if they would not be permitted to put up a sign. It was to be not just an individual's sign, but was for the whole tourist area north on Highway 17, so it covers about 200 miles of tourist establishments. The answer we got back was that there were only a certain number of sign locations permitted and that they were used up and that if one of them became available in the future, they would take it into consideration.

It seemed to me kind of a funny way of doing business when the livelihood of so many people depends upon a sign placed strategically to advertise such a wellknown tourist area. Yet it was impossible to get a sign reasonably close to the junction to call people's attention to the fact that that was the Geraldton cutoff, and the Geraldton tourist area.

As a matter of fact, the Lutheran Church of Nipigon asked me to prevail upon the department to allow them to put up a sign advertising the time of services in the community of Nipigon. They allowed them to put the signs all right, but they charged them \$10 a sign, I think it was, saying that this was an advertisement. They placed it in the same category as a commercial venture, and they charged this small, struggling church \$10 each for two signs on either side of Nipigon. I am just wondering if anybody here would give some rationale for the posting of signs, and whether or not we could not be a little more helpful, not only to churches, but—

**Hon. Mr. MacNaughton:** The rationale we used is the advice of The Department of Tourism and Information. The regional tourist areas are defined. As you enter one tourist region, then from any side of that region, there is a sign there.

With respect to more specific signs, the field advertising signs are clear and we charge a fee for all field advertising signs for advertising on behalf of the camp or tourist site that is involved. We charge them a modest fee for that and at the entrance to each road—off that road you speak about—there will be signs listing all the camps that are on that road.

**Mr. Stokes:** This is a major highway, as you readily understand. It is a junction between Highway 11 and 17. Highway 17 follows the north shore of Lake Superior. Highway 11 comes down from Geraldton, and there is nothing at the junction to indicate or advertise that whole Highway 11 tourist area. It is not a case of advertising a specific tourist establishment. It is the whole tourist area that they would like to advertise.

**Hon. Mr. MacNaughton:** Well, the best channel of pursuit there is to talk to the Minister of Tourism and Information (Mr. Guindon) and react on his advice.

**Mr. Stokes:** I had best bring it up with him then?

**Hon. Mr. MacNaughton:** You had best bring it up with him.

**Mr. Stokes:** For the tourist areas? Because I had brought it up with the regional director of highways and did not get any place.

**Hon. Mr. MacNaughton:** Well, if we did not do it that way, it would become so fragmented, you would have so many signs that I suggest you would be concerned about the number of signs if there was not an element of control. Our policy is to keep our roads as free of signs as we possibly can. So, there have to be some restrictions.

**Mr. Stokes:** But this is one sign to advertise an area of 200 linear miles along Highway 17.

**Hon. Mr. MacNaughton:** I understand. That is why I suggest you pursue it with the Minister of Tourism and Information.

**Mr. Stokes:** Yes. Fine. All right, I have one other matter now. There is an item in the report where you are going to build a structure leading to Ouimet Canyon off Highway 17. And it is appropriately marked on the work that is anticipated will be done in the Thunder Bay district this year. I am wondering, could you give me some more detail? The municipality of Dorion was a little bit apprehensive lest sufficient work would not be done for the access to Ouimet Canyon road and it is right on a tangent there and I would suspect that you would have to do considerable work in order to protect people turning off. If you are aware of that particular area, it is right on the access to a bridge and it is on a tangent, so that it could be a definite traffic hazard if

you are just going to leave it as is, at the same time as we are trying to publicize Ouimet Canyon for the tremendous tourist attraction it is.

**Hon. Mr. MacNaughton:** Well, I guess if we were to have all the detail on the great replication of situations like this across the board, we would have to move all our information down here. So, we will just have to take this observation of yours and pursue it.

**Mr. Stokes:** Yes. Well, that is all I am asking you to do. I do not want any particular detail. That is all I have on maintenance.

**Mr. Chairman:** Mr. Gaunt.

**Mr. M. Gaunt (Huron-Bruce):** I have two matters, Mr. Chairman. The one has to do with the population signs, which are erected at the outskirts of the town. Now, in the town of Wingham this past year, this current year actually, there was a real problem, in that the department said that the population of Wingham was 2,800. The population of Wingham has been listed on the sign for a number of years as 3,000 and so the town made official approaches to have the figures changed.

To make a long story short, it got so wrapped up in red tape and after about a month of delay and so on, they eventually got the problem sorted out and the 3,000 figure was put up again and remains. These signs are indications, I am sure. At any given point in time during the year, a particular town may be 20 under or 20 over, or maybe even more than that different from the figure indicated on the sign.

Now, I wonder how this comes about? Why does this type of thing happen, and why is it so hard to get it corrected?

**Hon. Mr. MacNaughton:** It should not be hard. We accept these figures from the towns and the municipalities once a year, and it should not be too difficult. There are a lot of municipalities all over the province, but some municipalities, some towns—I would not think Wingham would consider doing this—ask for a change four, five, six times a year—and that is impossible.

These figures will not always reflect the accurate population. They are usually rounded as you know, so Wingham can make application once a year, and if they are not

performing satisfactorily, we will try to speed the Stratford district up a little bit.

**Mr. Gaunt:** Well, I am wondering, I do not think that they ever anticipated the change in sign more than once a year. I do not think that was their main intent.

**Hon. Mr. MacNaughton:** Many of the municipalities do not want their signs changed when the population goes down, you know, quite frankly. As long as the population stays up, they like to leave it there. But it goes down sometimes as well.

**Mr. Gaunt:** Well, in this case, it did not go down. It was up slightly and so—

**Hon. Mr. MacNaughton:** I am little surprised, I can tell you. They are quite content to leave the old one there if it is higher than the normal population.

**Mr. H. Worton (Wellington South):** It is human nature.

**Mr. Gaunt:** Well, I suppose it is human nature, but it seems that they did have quite a time getting the change made and I wonder where the normal channel of communication should flow. Should it flow to the district?

**Hon. Mr. MacNaughton:** Town to the district.

**Mr. Gaunt:** I see, and they should—

**Hon. Mr. MacNaughton:** To the signs and building permits inspector in the district.

**Mr. Gaunt:** And they should make the necessary adjustment? My information was that the department got it out of some information that was being used by the Mid-Western Ontario Regional Development Council.

**Hon. Mr. MacNaughton:** No, they should not get it from there. If they are, they should not. They get it from the town itself.

**Mr. Gaunt:** From the town? It comes directly from the town?

**Hon. Mr. MacNaughton:** They should. If the town wants it changed, they should make direct contact with the signs and building permits inspector in the district.

**Mr. Gaunt:** Well, in this case, I think the sign was changed, unbeknown to the town officials until one morning they drove out and it said 2,800, instead of 3,000. Now, does that happen very often?



**Hon. Mr. MacNaughton:** It should not. I cannot conceive of it being done that way. That is what the municipal directory says, I think, right now.

**Mr. Gaunt:** There must be a problem there; perhaps a breakdown in communications somewhere along the line.

**Hon. Mr. MacNaughton:** We will check it out with Stratford.

**Mr. Gaunt:** The other matter I wanted to raise with the department, Mr. Chairman, and this winds me up as far as this particular vote is concerned, has to do with the department project on Highway 9, referred to as a "daylighting corner" at Riverdale.

Now, the department expropriated the store and they came to an accommodation with the owner of that store. He was not entirely satisfied, but I suppose under the circumstances, it is very hard to have one completely satisfied financially anyway.

**Hon. Mr. MacNaughton:** It is very difficult, to well nigh impossible.

**Mr. Gaunt:** It may very well be nigh impossible. I do not know, but there are two matters still hanging fire with respect to this matter. The store has been moved back and the corner daylighted, and the owner has laid asphalt in front of his store to his property line.

Now then, he was of the understanding that the department would bring the asphalt to the property line; in other words, connect the asphalt surface to the highway and to his property line. This has not been done and apparently it went back and forward two or three times to the Owen Sound office, and then Owen Sound these last few weeks, I gather, has referred it to the London office. I think it was indicated to this gentleman that, you know, it just was not going to be done.

**Hon. Mr. MacNaughton:** Well, that is where the agreement with the individual involved and the district would be filed; it would be in the regional property office. It will be determined altogether by the written agreement that we entered into for the consideration that he accepted.

**Mr. Gaunt:** Well, I gather—he tells me that he really did not have any written agreement; it was just understood. It was a sort of a word-of-mouth agreement and he presumed it would be done.

**Hon. Mr. MacNaughton:** We could not have undertaken to pay him in the first place or to move his store without an agreement. We would have to have an agreement. There would be an agreement there. We would have to have an agreement.

**Mr. Gaunt:** I see. In order to undertake this type of thing, you would have to have that in writing?

**Hon. Mr. MacNaughton:** Yes. Exactly.

**Mr. Gaunt:** Is it possible that you may have that in writing without him actually knowing or—

**Hon. Mr. MacNaughton:** Well, he would have signed it.

**Mr. Gaunt:** Apparently he did not sign it, so under those conditions he is responsible. Is that what you are saying?

**Hon. Mr. MacNaughton:** It is all subject to an undertaking that goes both ways. It is an undertaking from him and an undertaking from the department, and it is expressed in the agreement in consideration for the amount of money paid. The best thing that could be done would be to check the regional office in London, where the property agent's agreement will be on file.

**Mr. Gaunt:** And the fact is that in the ditch which the department constructed there, they put a culvert which was too short. They are getting a lot of erosion now around the ditch mouth, so that is another problem which apparently the department is not too keen on rectifying.

**Hon. Mr. MacNaughton:** Is that on departmental property?

**Mr. Gaunt:** Yes.

**Hon. Mr. MacNaughton:** Then he should make another approach to the district on it.

**Mr. Gaunt:** He also has a problem—

**Hon. Mr. MacNaughton:** If you want to indicate the person's name we can pursue that ourselves.

**Mr. Gaunt:** Do you want me to give it to you?

**Hon. Mr. MacNaughton:** If you could give it to, say, Mr. Adcock or someone before we leave, we can pursue that.

**Mr. Gaunt:** All right. Along the same lines, there is one other matter in this regard. He



had some lots back of his store and the approaches were changed. In other words, the level of the road was elevated and this meant that the incline into these lots was changed. Now is it up to the department to rectify that and make the roadway accessible from his property?

**Hon. Mr. MacNaughton:** Yes, if the change in grade or anything like that has an effect on his property, an adverse effect on his property, then the department has some responsibility. That is another matter that can be pursued. If you will give us the name and location, we can look into it.

**Mr. Gaunt:** Fine, Mr. Chairman.

**Mr. Chairman:** Is 802 carried?

**Mr. F. Young (Yorkview):** Just one question. In respect to the minister's announcement this afternoon, under maintenance—the grant for road maintenance to municipalities is 50 per cent and 80 per cent for bridges. Does the same grant apply to maintenance of rapid transit systems, maintenance of the roadbed and the equipment and so on?

**Hon. Mr. MacNaughton:** It applies under the public transportation section, but not necessarily under the rapid transit section because there are different rates of subsidies.

**Mr. Young:** So that if—

**Hon. Mr. MacNaughton:** It is applied really on the same basis, in terms of financial assistance, as it is for roads.

**Mr. Young:** So that roadbeds and equipment of this kind will be subject to a 50 per cent subsidy then?

**Hon. Mr. MacNaughton:** All the eligible items for—let us say it is rapid transit, as is the case in Metro—all the eligible items that were listed in the statement given by the Prime Minister (Mr. Davis), and which are also listed in the bill.

**Mr. Young:** Yes.

**Hon. Mr. MacNaughton:** And they are very much expanded from the existing situation. They will be eligible for 50 per cent subsidy. It includes rights-of-way, so—

**Mr. Young:** Yes.

**Mr. D. M. Deacon (York Centre):** Mr. Chairman, this does not provide for maintenance of, say, buses?

**Hon. Mr. MacNaughton:** Yes, it does under the public transportation section.

**Mr. Deacon:** Of this new Act?

**Hon. Mr. MacNaughton:** Yes.

**Mr. Deacon:** That would be depreciation for buses or whatever type of public vehicle?

**Hon. Mr. MacNaughton:** Yes. Those are all taken into account. I have got a copy of the bill here. I think I can detail that a little bit more if you like.

**Mr. Stokes:** Mr. Chairman, while he is looking that up, I noticed some very small but interesting items on maintenance for Indian reserves. I have noticed two or three of them, one in the riding of Thunder Bay for \$1,400. As it is broken down by districts, I noticed there is one in the Cochrane district for maintenance for \$7,300. Could you tell me what the arrangement is? In some places it applies and some places it does not.

**Hon. Mr. MacNaughton:** Mr. Wilmot will answer that question.

**Mr. C. R. Wilmot (Municipal Roads Branch):** The general case situation, sir, is that we treat Indian reserves in all respects as townships for subsidy purposes.

**Mr. Stokes:** As municipalities?

**Mr. Wilmot:** Yes.

**Mr. Stokes:** I see. If they were to make application as an interested group, whether it be the band council, would they be given consideration?

**Mr. Wilmot:** In the far north there are some Indian reserves which only require work, perhaps this year and none for several years. In other words, they do not have a continuing maintenance programme. In those cases we deal with them on a specific work order, as we would any group of citizens who wanted to raise some money to do work on a public road.

**Mr. Stokes:** I see.

**Mr. Wilmot:** But most of the reserves are not of that nature. Most of them have a regular maintenance programme.

**Mr. Chairman:** Mr. MacNaughton—it was in answer to Mr. Deacon's question, I think.

**Hon. Mr. MacNaughton:** The Act would provide for that. Whether it would be

specifically as the hon. member said with respect to depreciation—it would come into effect when new equipment had to be purchased for the attainment of the level of service required, and the other was disposed of.

Depreciation does not have the normal effect in this instance on an annual basis, shall we say, as if they were paying taxes and they do not pay taxes. Let us say a motor bus, by virtue of years of operation, was not adequate to provide the service and it had to be traded in. The costs would come into effect then in terms of the new equipment.

**Mr. Young:** In other words it is 50 per cent of depreciation, 50 per cent of the new cost that they pay?

**Hon. Mr. MacNaughton:** Yes. In the public transportation section, the minister has discretion to exceed 50 per cent, but that will be based on a number of elements making up the need part of it, the need side. The minister has some discretionary authority in this field at that level.

**Mr. Young:** If the old bus cost \$25,000 and 10 years from now that is worn out and the new one costs \$30,000—

**Hon. Mr. MacNaughton:** And he got \$15,000 for the other one, that extra would become an operation cost.

**Mr. Young:** I see, and 50 per cent of that would be subject to—

**Hon. Mr. MacNaughton:** It would be a minimum of 50 per cent. It would all be taken into consideration; all the sections will be taken in. The fare box revenues will also be taken account of and the overall picture that is left will be eligible for a minimum of 50 per cent subsidization.

**Mr. Chairman:** Vote 802 carried? **Mr. Haggerty.**

**Mr. Haggerty:** Yes, I just want to raise one question, Mr. Chairman. This concerns the signs directing traffic to Albany and Lakeshore Road for Crystal Beach. This is right at the Peace Bridge, the reconstruction of Highway 3.

Apparently The Department of Highways has a sign directing it to the old Highway 3C. Now, Highway 3 is a four-lane highway and I would just question why you would direct traffic up to the old 3C. It goes up into

the village of Ridgeway, and then it creates a bottleneck on top of the Gorham Road, related to Ridge Road and Gorham.

Does that ring a bell to you at all, Mr. Bidell? As you come off the Peace Bridge, instead of directing traffic onto Highway 3, you direct it onto 3C, that is along the lakeshore, pretty near, along the old Fort Erie.

**Mr. W. Bidell** (Highway Engineering Division): What traffic is it directing over 3C?

**Mr. Haggerty:** Pardon?

**Mr. Bidell:** What does the sign say directing traffic to 3C?

**Mr. Haggerty:** It says all traffic to Crystal Beach should use Highway 3C, and that is where it is creating a problem. Traffic is coming up this road, and you know what condition Highway 3C is in.

**Mr. Bidell:** We can look into that.

**Mr. Haggerty:** The request has come from the town of Fort Erie, and it says here, in a letter of July 27, 1970:

Whereas The Department of Highways indicated that they will comply with the request of council as contained in the previous resolutions 318 and 332 for resigning to direct Crystal Beach-bound traffic westerly on Highway 3 and Gorham Road rather than Lakeshore or Albany Street.

It has caused quite a traffic condition on Albany Street and Lakeshore Road there, and it is creating a nuisance for the police department which has to get out and direct it, apparently, and they just cannot understand why the department would direct the traffic up Highway 3C when there is a four-lane highway there to take it west to Ridgeway to the Crystal Beach area.

**Mr. Bidell:** We can get these details for you.

**Mr. Haggerty:** The other matter, Mr. Chairman, has been brought to my attention by a newspaper article in the St. Catharines Standard, and it deals with the Niagara regional municipality, and this is on new road construction.

The headline says: "You Have to Pay Survey Costs When Region Takes Your Land," and of course they are moving from 66 feet as in the old county system, to 86-, 90- or 100-foot widths for county roads in the area.

I was just wondering why when a municipal council comes in and says to a property owner it is widening the road 20 feet—10 feet on each side—and wants owners to give the land free then turns round and says, he will have to pay for the severance from the property?

**Hon. Mr. MacNaughton:** That is not correct.

**Mr. Haggerty:** Pardon?

**Hon. Mr. MacNaughton:** The paper is mistaken.

**Mr. Haggerty:** Well, I will read the article.

**Mr. R. K. McNeil (Elgin):** You misinterpreted—

**Mr. J. R. Simonett (Frontenac-Addington):** Do not take it as gospel.

**Hon. Mr. MacNaughton:** Which is altogether possible in a variety of circumstances. Newspapers are not altogether the last authority on this sort of thing.

**Mr. Haggerty:** Well, it says:

Niagara region will not pay for surveys and legal descriptions when land is severed and a 10-foot strip is dedicated for road purposes.

March 5 council decided to take a 10-foot strip of land whenever property abutting a regional road is severed. Council was split on the decision and discussions were stormy.

But apparently, the resolution carried.

**Hon. Mr. MacNaughton:** This is up to the municipality. If they do it in terms of their work programme we would subsidize the municipality.

**Mr. Haggerty:** What I am trying to convey to the minister is, do you think this is right that any municipality, any government, should come in and say to a property owner, we want 10 feet of your property, take it from them and pay nothing?

**Hon. Mr. MacNaughton:** No, I say it is a mistake. The municipality must be mistaken, somebody is mistaken. This is a municipal road, or a regional road, and if they require some property and a survey is required, and the municipality undertakes the survey or engages a surveyor, then that cost is eligible for subsidy from the department.

**Mr. Haggerty:** It continues:

Originally, prior to the March 3 decision, the region's planning committee demanded a 17-foot dedication for road widening along Mrs. Mittlestead's property. After the council decision, the committee decided to claim only 10 feet. The property owner replied she would give the original 17 feet if Niagara region would bear the cost of surveying and securing the legal description of the strip.

**Mr. Chairman:** Mr. Wilmot, would you like to comment?

**Hon. Mr. MacNaughton:** That changes the character a little bit. They only wanted 10 feet. Now, if somebody asks then to make another survey in terms of additional seven feet, I would say he has some obligation. All they required was 10 feet.

**Mr. Haggerty:** Well, it says they demanded the 17 feet and she said the would give it to them and then they decided all they wanted was the 10 feet.

**Hon. Mr. MacNaughton:** That is correct. All we wanted was 10 feet.

**Mr. Haggerty:** Ten, but why should the property owner be paying for the cost of surveying?

**Hon. Mr. MacNaughton:** Let Mr. Wilmot explain how we do this, will you?

**Mr. Wilmot:** I would suggest, sir, that this is really a question of the administration of the Niagara region, and that your question really should be directed to them, but I take from the article that a property owner requested approval of severance.

It was not the regional council making the initial approach. It is rather common when a property owner asks for approval of a severance that conditions be put upon the granting of the approval.

**Mr. Bullbrook:** That is known as municipal blackmail.

**Mr. Haggerty:** Now, just a minute, I will read this to you again. It says: "Originally—prior to March 5 decision—the region's planning committee demanded a 17-foot dedication—"demanded, and then perhaps the road committee came along and said that all they needed was 10 feet on this one side, and she said: "I'll give you this 17 feet if you will pay for all the legal costs." Apparently they do



not even want to do that. It is like the member for Sarnia says, it is blackmail.

**Hon. Mr. MacNaughton:** Well, then, they should go back to the municipality.

**Mr. Haggerty:** Pardon?

**Hon. Mr. MacNaughton:** They should take their grievance to the region.

**Mr. Haggerty:** Well, apparently she is not going to get any results with the region. This is why I bring it to your attention, in The Department of Highways. After all, you are paying 50 per cent of the subsidy on these roads, and I request your assistance.

**Mr. Wilmot:** With respect, Mr. Haggerty, I would suggest that is under The Planning Act and is the responsibility of The Department of Municipal Affairs, rather than this department.

**Mr. Haggerty:** No, I do not think it comes under planning. I know in the county of Welland, being a member of the county roads committee, there was always a policy to try and widen the roads out to 86 feet, and require the 10 feet from each side.

At that time they paid for the cost and purchasing the land, in some cases council put up a new fence and the farmer would dedicate land to the region, or to the county at that time. In many cases they bought all the land and paid for all the survey.

**Hon. Mr. MacNaughton:** I would have to say this to you, there may be some merit in what you say about municipal blackmail, or what Mr. Bullbrook said about that. We can pursue this and find out, but I would suggest this, too, that the facts are not always as revealed in the newspapers. We would want to get facts of the other side of it first.

**Mr. Haggerty:** Well, will you look into that?

**Mr. Chairman:** Vote 802 carried?

**Mr. S. Farquhar (Algoma-Manitoulin):** Could I ask a quick question? I do not know how thoroughly you dealt with the local roads board situation, but I have one—and I will apologize if it is repetition. But I want to suggest that there are a couple of situations in some of the organized townships which I represent where there does not seem at the moment to be any solution.

You will find a development around the lake, for instance, by cottage owners. There is going to be a substantial development,

and those people are prepared to enter into an arrangement, a local roads board arrangement. The department goes out there and finds that there is an existing road and it is on private property. There is no way that those people could go into a local roads board situation with the kind of cost that would be involved in building a new road for access to them. I think we all realize that local roads boards in sparsely populated areas have their problems; they are not necessarily the ultimate answer to access to farmers, but this is getting to be a pretty important development. I wonder if I could get a comment in respect to that kind of situation?

**Hon. Mr. MacNaughton:** My comment would be really directed to Mr. Wilmot at this time. Is that a matter that we can pursue, Mr. Wilmot?

**Mr. Wilmot:** Could you define the local roads board in question, sir?

**Mr. Farquhar:** There is not any board at all. They have made an effort to form a board on two or three occasions, not realizing that it would be so expensive to get the road in the proper place.

**Mr. Wilmot:** As I understand the situation, there is a road across private property which is now being used by cottagers. They are there on the sufferance of the owner.

**Mr. Farquhar:** The back parts of all of the properties are private. That is right.

**Mr. Wilmot:** Can you tell me the general location of this, sir?

**Mr. Farquhar:** Yes. It is north of Highway 17, on Lauzon Lake. Do you have a map there? There is plenty of correspondence available at the Soo branch with respect to the various efforts that have been made to put that board together.

**Hon. Mr. MacNaughton:** Is it a private road now or was it a statute labour board road?

**Mr. Farquhar:** It has public status, but they did not realize—

**Hon. Mr. MacNaughton:** Then it must have been under a statute labour board.

**Mr. Farquhar:** No, it never has been. They considered it public status, but when they started to move into the formation of the board, they found it did not have public status, and it has not.

**Hon. Mr. MacNaughton:** Just by usage.

**Mr. Farquhar:** There is one other question in regard to that situation. Part of the way around this property The Department of Lands and Forests has an access point—a small launching access point for summer-time use only, of course. The Department of Lands and Forests is not at all interested in entering into a local roads board situation or an agreement because it does not really derive any revenue. It is only a service point. It is quite understandable from where they sit it is a service to the community, but getting to be very popular year-round, and some how or other, by some kind of an arrangement, access is going to have to be provided. The cottage owners on that property are never going to be able to do it.

**Hon. Mr. MacNaughton:** Would it be all right if we got the necessary information from the district then?

**Mr. Farquhar:** Yes. The Soo has it all.

**Mr. Chairman:** Mr. Yakabuski. On the same point?

**Mr. P. J. Yakabuski (Renfrew South):** Yes, Mr. Chairman, on the matter of roads, usually municipal, serving the cottage owners. In my mind, we still have not developed a clear policy in this area. I know that The Department of Lands and Forests when it is opening up a new lake where there is virgin development and it is selling its lots—now leasing of course—in the price it is asking for the lots it is incorporating a figure to take care of a service road. This is only recent policy in the last few years. It is something that should have taken place a long time ago. So we are not too worried in that area, because we have some policy to take care of it. But we are worried or concerned about those lakes that have partial development on them now, whereby the policy that Lands and Forests has is out because there is scattered development.

In my mind, we have no firm policy here yet, unless I am corrected. Has there been any policy developed recently to take care of these situations? Where there is scattered development already on these lakes, it should be that a municipality can develop a road there and qualify for the same going rate of subsidy in this municipality. I know we have great difficulty all the time there.

**Hon. Mr. MacNaughton:** Would these be organized townships?

**Mr. Yakabuski:** Yes, in my case it would be, and in some cases not. I am sorry, not all.

**Hon. Mr. MacNaughton:** Where they are organized townships I suppose the level of responsibility rests with the local municipality. I would suppose that is correct. Mr. Wilmot, you can pursue this again.

**Mr. Wilmot:** The policy, Mr. Yakabuski, is that—and this is a long-standing policy in this province going back to 1792—the original road to serve purely the abutting properties is the responsibility of those abutting properties. This was the principle in The Statute Labour Act. It is the principle which applies today in every plan of subdivision which is put on. While it may be financially difficult for these cottage owners to find the necessary money to build this road, I must observe that they bought their lots on the principle that they would have water access only.

**Mr. Yakabuski:** I realize this, Mr. Wilmot. I am aware of that. But I think we realize that people have been notified that the lake they are establishing their cottage on is served by a public access road. That we know. But we know, too, that the moment those cottages are built these same people come to the reeve and the councillors in that municipality and they give them one hell of a time. Now I think, regardless of whether this goes back to 1792 or not, we have to develop the policy to take care of this situation. I cannot see anything wrong with having the municipality, where feasible and where warranted, build such a road and qualify for the going rate of subsidy. In most cases the municipalities are willing to do this, but you people will not approve such expenditures.

**Hon. Mr. MacNaughton:** The \$64 question is probably there are not sufficient funds at any one time to do it.

**Mr. Yakabuski:** I do not think that has been the problem.

**Hon. Mr. MacNaughton:** If the situation was replicated many times, it could be. I wonder if some of those owners were aware of the fact that when there is a nickel of public money spent on them, they are open for the public. They might change their minds, too.

**Mr. Yakabuski:** I think they have to take this chance. But there is a lot of tidying up



to do in this area. I think we have to until we do that—

**Hon. Mr. MacNaughton:** There always will be.

**Mr. Yakabuski:** —maybe even for a period, operate under such a policy, because it is real hell for the elected officials in the municipalities in cottage country, I am telling you.

**Hon. Mr. MacNaughton:** Are these new cottages?

**Mr. Yakabuski:** Mostly, yes. If the lakes were not touched until now, The Department of Lands and Forests would be building these roads and recovering the cost of the road in the price of the lot. But you cannot put it in when there is partial development. You cannot penalize one owner when you have not the other.

**Hon. Mr. MacNaughton:** We may have to collaborate with The Department of Lands and Forests in this field, but it is hard to develop a clear policy on these things. It is which came first, the chicken or the egg, in a manner of speaking. They built these cottages with the knowledge that there were no roads there.

**Mr. Yakabuski:** I think the answer is approving subsidy to the municipality at the going rate. It would tidy up a lot of these situations.

**Hon. Mr. MacNaughton:** We will have a look.

**Mr. N. Whitney** (Prince Edward-Lennox): Mr. Chairman, I would like to add a further comment to that remark, because I know that my own municipality has been approached in a similar regard and it has consistently refused, because once it did make it a public road, or once it spent money it was assumed to be a public road. Then the people wanted to winterize cottages, which were built for cottage purposes only. Then there is danger of pollution. They want the roads ploughed in the wintertime. Right away maybe they will sell out their permanent residence in town and come out and live there permanently and the local people have to pay for the education of their children. So there are a lot of angles which could develop from this, and I think caution should be used in considering the whole matter.

**Hon. Mr. MacNaughton:** At the same time, there will be many of these municipal-

ities which, even if the roads were subsidized, would have some difficulty affording it. But as I say, we will pursue the matter.

Vote 802 agreed to.

On vote 803:

**Mr. Chairman:** Construction; Mr. Morrow.

**Mr. D. H. Morrow** (Ottawa West): Yes, Mr. Chairman, I have some questions on items 1 and 5 in vote 803.

Like most of the other members, my questions are somewhat parochial in nature. My first question has to do with the entry of the new Highway 417 into the city of Ottawa. You perhaps know at the present time a committee known as the Ottawa freeway technical advisory committee has appointed a consortium of consultants who are hearing delegations, people in organizations, as to where they think this particular entry should be made, and considering this alignment.

I do not know, but I hear they are running into a little bit of difficulty in this respect. My question was, when does the department expect this group of consultants to report to this committee? And then when they do report, I am not sure as to the procedural steps that are to be taken from that point on until they finally arrive at an alignment, that is to say, this is the point where it is going to enter the city; this is the new alignment.

**Hon. Mr. MacNaughton:** If we have not written a letter, we will be writing one today or tomorrow, or within a few days, to the committee asking for a meeting, hopefully within not later than a month, to make an attempt to finally resolve this situation. The technical co-ordinating committee, or whatever, is made up of representatives of our department, the city, the national capital commission, and without reviewing the past there have been difficulties in—and regional Ottawa is involved too—we have encountered difficulties in reaching a determination as to where it should enter and pass through the city. I guess, to be more specific, some objection to the Alta Vista route, as you are probably aware. We hope to get this resolved at a meeting which we will attend in Ottawa within a month. We hope to.

**Mr. Morrow:** That is good. I was afraid it was getting—

**Hon. Mr. MacNaughton:** That does not mean we will resolve it, but we hope to.

**Mr. Morrow:** No, but I was afraid discussions were getting somewhat bogged down



and I thought perhaps a fresh approach by the Highways department would speed it along.

**Hon. Mr. MacNaughton:** Well, the letter may have gone out now; I am not too sure. But it was agreed that we would try to get down there within at least not more than a month to attempt to resolve it.

**Mr. Morrow:** Now, we are going to have a somewhat similar situation with Highway 416, that is the highway from Ottawa to Prescott, whenever they enter into the city. And this happens to enter into my riding, which probably will give me a lot of problems. I have quite a number of people, different organizations and individuals, who are most anxious at the present time that I get some assurance from the department that a similar committee will be established and a consortium of people will hear them, you know, and let them have their input into this matter, so that they will at least think they have had something to say as to where the new alignment may be into the west end of the city.

**Hon. Mr. MacNaughton:** Well, it is the same situation in practical terms as relates to 417.

**Mr. Morrow:** The very same.

**Hon. Mr. MacNaughton:** And when we are down we would hope to get at a resolution of the problems in both situations. I say, we would hope to. I repeat, we may not be able to achieve it but we are going to try hard.

**Mr. Morrow:** Well, we are very hopeful that we will get something on the same setup, with the department of course paying the shot.

My next question deals with the construction of 417, in particular, which is the new 65-mile route from Ottawa to the Quebec border. Now there were a few things mentioned in the Ottawa paper over the weekend which perhaps answer some of my questions. I have two questions. I want to know how many miles of the 65-mile route are in varying stages of construction at the present time, and then I want to know how many miles of the whole route will really be called and be in some state of construction by the end of the year. And from that I was hoping to deduce how many miles are still left as a gap in between. I was looking at your highway book here on page 66.

**Hon. Mr. MacNaughton:** Well, in response to your earlier inquiries, we asked our programme engineer, Mr. Wigle, to come equipped to give you this specific information. May I call on Mr. Wigle to do that for you?

**Mr. W. G. Wigle (Engineering Division):** In anticipating a question such as this, there are 43 or practically 44 miles under construction at the present time, and prior to the end of the year there will be another 10 miles. That will make a total of 54 miles of this 65-mile facility in various stages of construction.

**Mr. Morrow:** So that leaves about an 11-mile gap yet to—

**Mr. Wigle:** Yes, the gap that is left is basically the section from Highway 34 easterly to the intersection of existing 17.

**Mr. Morrow:** Yes, down through Van-kleeck Hill, down through that area. I know that the department, Mr. Minister, during the past year, has been accelerating work along this route, but, in view of the controversy over old 17—which is quite inadequate—and because of the many fatal accidents on it over the past few years, I would simply urge that the department give even greater attention to this new highway and perhaps further accelerate it and redouble their efforts. I would be most anxious to see this highway completed by the end of 1973 instead of 1974.

I would like to see it moved up a little bit because there is something about the soil there, you know, it takes a long time before paving, they have to let it settle much longer than is normal. So I thought if you got the roadbed built, sort of put a lot of stress on that and got it all built, then in the overall picture or the overall length of time you could shorten this thing up considerably if you would just put special emphasis on the roadbed part, get it ditched, and get a granular base in.

I know that the culverts and bridges, of course, take a great deal of time, but I would like to be able to answer my critics down there to the effect that there is some type of construction going on for the whole length of that 65-mile road by the end of the year even if you are only brushing and fencing part of it. At least I could answer them and say, "Well, it is all under construction, and it is just a matter of time."

Now, I have another question here—it is not in my riding, but for my friend from Carleton (Mr. W. E. Johnston). He is anxious to know about the Queensway west—as you know, it is built out as far as a place called the Kinata Sideroad, and then it is supposed to branch, one fork going to Highway 15 and the other over to 17. I was wondering if there is anything on that, when the new connections might be started from the present place where it stopped, to the new highway?

**Hon. Mr. MacNaughton:** Do you have some information on that too, Mr. Wigle?

**Mr. Wigle:** Well, there is no specific fund set up in the current year's estimates for the construction of this. But we are into the pre-engineering of it and within about a year we will be right in the midst of property acquisition. There is preliminary work being done from the property standpoint as well, but there is no work, as I say, included in this year's estimates. As soon as the pre-engineering is completed we intend to be at the construction of it.

**Mr. Morrow:** It looks like 1973 or 1974.

Now, is it all right to move over to item 5, Mr. Chairman?

**Mr. Chairman:** Sure. Yes.

**Mr. Morrow:** It is really on item 5 of the vote. It is a little different type of question in that it has to do with the old Highway 17 going east to the Quebec border. As you know, there has been a great number of accidents on this road for the last number of years. I think it has been averaging one a month since 1967 and taking quite a lot of criticism in the Ottawa papers, so much so that they have labelled it the killer strip because there are so many accidents there.

I was wondering whether the department has come up with any answer to the high frequency of accidents on this road in their studies? I know they have made a study of this section of the highway to see if they could come up with some answer as to why there are so many accidents. Now, we know that speed and inattention and all these other things are contributing factors, but the papers thought there might be something in the engineering design of the highway.

**Hon. Mr. MacNaughton:** Well, I wrote a letter on June 18 to a Mrs. Grey from

Merrickville, who was complaining about these matters, and upon investigation, through the safety branch of the department, we produced a number of statistics. Some of these might well be good examples.

For the 10-year period ending May 29 this year, there were 106 fatal accidents on Highway 17 between Ottawa and the Quebec boundary. That is old 17 we are talking about.

**Mr. Morrow:** What is that, a hundred and something?

**Hon. Mr. MacNaughton:** Yes, 106 fatal accidents. That is a 10-year period ending May 29 last; 106 fatal accidents, involving 152 fatalities. In some instances, there was more than one fatality in the vehicle. But some of these statistics are very interesting. For instance, three men were killed on May 29 of this year. They were in a small car. It collided with a stake truck near the South Nation River bridge. The truck driver had been drinking and was driving on the wrong side of the road. Now, I do not know how the devil you build a road to stop that kind of accident. I would not know.

**Mr. Worton:** You cannot beat that.

**Hon. Mr. MacNaughton:** If you are on the wrong side of the road and you are drunk, you are going to have an accident, I think, in time.

**Mr. Worton:** Three to one against you.

**Mr. Morrow:** I was wondering, Mr. Minister, if there is some common denominator.

**Hon. Mr. MacNaughton:** We looked into another 14 fatal accidents which occurred on the road in the last 17 months, resulting in 22 deaths. In seven cases, the drivers had been drinking. In another case, the driver struck a log which had fallen off a truck. One accident occurred as a result of a passing manoeuvre, but the other five happened when drivers steered into opposing lanes, or off the road entirely, for no apparent reason, except, possibly excessive speed.

I do not know that the quality of the road has much to do with this. If you are going to drive off the road for one reason or another, you are going to have an accident. If you are going to steer into an opposite lane, you are going to have an accident if you stay there long enough.

**Mr. Morrow:** It is the abnormal number that seems to give cause for concern.

**Hon. Mr. MacNaughton:** Really, as we research these things—and I only went back so far—

**Mr. Gaunt:** They are very funny drivers up there.

**Hon. Mr. MacNaughton:** —but, it is fair to say—I do not want this to be critical of Quebec—many of these drivers come from Quebec and I do not know whether they have different rules of conduct over there or not.

**Mr. Morrow:** Could be!

**Hon. Mr. MacNaughton:** We find many of them come from another province and, when you get into researching them all, it is very difficult to assign the reason for the accident to the size or condition of the road.

In almost every circumstance there is some other good reason and, in many cases, of course, it is excessive alcohol. It is hard to rationalize that with people but, when you get right in and investigate it, get the police reports and so on, which we do—on every fatal accident we get a police report, and they are all recorded—you know, it does change the character of the thing quite a bit.

**Mr. Morrow:** I travel this road—

**Hon. Mr. MacNaughton:** They are not the best drivers, and maybe for good reason, as I say, they are usually looped.

**Mr. Morrow:** I travel this road occasionally myself and I was wondering whether the department has ever given any consideration to passing lanes.

**Hon. Mr. MacNaughton:** Pardon?

**Mr. Morrow:** I say that I have travelled this road quite a bit myself and I was wondering whether the department ever gave any consideration to passing lanes. There are certain roads that do have passing lanes for trucks going uphill, because on that Montreal road, you will sometimes get caught behind a truck and a queue of 25 or 30 cars just piles up. You will go on for 15 or 20 miles before anybody can get past them. Some impatient driver does take the chance and, of course, he gets caught in the median.

I was wondering whether any thought has ever been given to establishing passing lanes for those trucks, so somebody else could get out and get by these long queues.

**Hon. Mr. MacNaughton:** I would not even know whether the right of way there would permit it.

**Mr. Morrow:** Maybe the right of way is wide enough.

**Hon. Mr. MacNaughton:** I do not know that. I doubt it.

**Mr. McNab:** The passing lane on a level strip could be extremely dangerous—the people cutting into that lane and out of it at the point of egress and what not, where you are going 60 miles an hour plus. They are whipping in and out of them. You asked in one of your earlier questions if there was something wrong with the engineering: “Is it the design of the road?”

Of course, that whole route down there is practically without serious grade, and the area where they had the most accidents is probably the best engineered, two-lane road that we have in the province. In other words, it has wide pavement, it has wide shoulders and it has unlimited visibility. We had joint studies into this with the provincial police—we had the name of the suicide strip—and our traffic engineers, and we were completely confounded to try to find an engineering reason. It could be volume and excessive speed and the other reasons that the minister has mentioned, but engineering-wise, it defies explanation.

**Mr. Morrow:** Do you think there is enough right of way there that maybe the trucks could get out and travel for two or three miles along a passing-lane—get out on the outside and let people by?

**Hon. Mr. MacNaughton:** It is a road that was designed originally to provide local service and it should not be a high-speed road under any circumstances.

**Mr. Morrow:** Yes, that is the trouble!

**Hon. Mr. MacNaughton:** This is the problem. There are access points all up and down it and it was not designed for high-speed purposes. That is why we are building the other road, quite frankly.

**Mr. Morrow:** Yes, we are hoping it will alleviate the situation. That is why I am urging as much acceleration as possible on constructing the new 417.

Thank you.

**Mr. Chairman:** Now, we have Mr. Young and then Mr. Bullbrook.



**Mr. Young:** I have nothing on this vote.

**Mr. Bullbrook:** Thank you, Mr. Chairman. I recognize, also, as the member for Ottawa West has mentioned, this particular vote lends itself to a degree of parochialism.

I want to put into the record, primarily so that my constituents will know my position, correspondence that I have recently had in connection with the lack of budgeting for Highway 402 west of Sarnia this year. On June 10, 1971, I wrote the following letter to A. T. C. McNab, Esquire, the deputy minister of the department, as follows:

I have had calls from constituents in connection with the highway construction programme, 1971-1972. Apparently, no moneys have been allocated for construction of 402 eastward from Sarnia—

I believe I said westward before; I meant eastward.

—as anticipated from the statements made last year by the hon. George Gomme.

I recognize that there are problems in Plympton township area, dealing with the trial of necessity and also a drainage problem still to be resolved in Sarnia township in connection with these undertakings. However, one would have hoped that they would not have been of such significance as to have the department, apparently, not allocate capital funds for the beginning of construction in the current fiscal year.

I want to again point out to you the appreciation of the people of the Samia area conveyed to Mr. Gomme at the time of his original announcement, in 1968, of the intention of government to begin construction of 402 between Sarnia and 401, on a priority basis. I know it is not necessary for me to remind you of the significant volume of tourist inflow, as a result of I-94, to the Blue Water Bridge. It is not necessary, either, for me to remind you that there was an experience of 13 deaths during a period of two years on the present facilities.

I wonder if you could advise me what the present intention is in connection with the expediting, at least a commencement of construction, from Sarnia toward London? It had been the advice given to the people at a public meeting, by the hon. George Gomme, that construction would begin in the Samia area in this fiscal year.

Yours truly,

Now, if I might make just two or three comments to elaborate on this, purely for the sake of record, because I have conveyed to the minister and his deputy already that I acquiesce in and, to a significant extent, agree with, the position that they have taken.

I want to reinforce, if I might, first, the fact that this is an absolute necessity. The department has seen that. In February, 1968, the predecessor of the present minister rose in the House and advised the House and the people of Ontario at that time that they regarded this as a priority matter and that they were beginning.

In point of fact, I believe that the department has acquired all the lands that are required in my riding. I do not think there has been a trial of necessity in my riding. In any event, amongst the farm community in Plympton township, I believe there are several trials of necessity, and this will, to some extent, perhaps hold up construction, although I would hope not. I would hope that perhaps a test case could be taken in Plympton township to establish the need for this facility.

That leads me to the point that, as far as the need for this facility, without prejudging or in any way attempting to usurp the function of the inquiry officer in this connection, it would seem manifest, having regard, expressed publicly a year ago by the present incumbent of the office as to the Highway 7 facilities. It is a three-lane facility which has that suicide strip—which had, let me say, the suicide strip for many years. If I might digress for a moment, it is most pleasing to note that the department has, in their marking of that facility, cut down the accident rate significantly. I admire what they have done and I applaud what they have done in connection with the marking of the highway itself.

So that is basically the attitude that government has taken. I record this comment—and not wishing, in any way, to throw vinegar on rosewater on these comments—but when I was elected to this office comments were made that we would never get Highway 402. At that time, I did not believe that. I felt that, perhaps, with some naivety.

But I find, in point of fact, it is not a naive proposition. I think, if a capital expenditure, no matter how significant, is needed for the public welfare and it seems so, as you analyze maintenance payments or costs to the province that really the incumbency, may he be a member of the oppo-

sition or otherwise, is not the paramount significant feature. I do not know whether it is at all, for that matter.

One recognizes that certain benefits accrue to sitting on the government side of the House, one of which is that you can be the minister, by way of example. But in making these decisions I am inclined to think that the decisions are made after an analysis of the needs of the public in the area itself, and this is what I conveyed to the people of my riding at the time of my election, and it was only three weeks after we sat for the first time in the first session of this particular Parliament that the predecessor of the present minister did rise to make the comment in connection with the policy established by the department relative to 402 over the 401.

I want to add, for a moment, Mr. Chairman, that the department has experienced significant difficulty in connection with the routing of 402 in the London area itself. The minister did give me a commitment that it would not deter the construction eastward from Sarnia; it would be the intention of the department, if at all possible, to begin concurrent construction but, in any event, the difficulties, as far as routing in the London area, should not delay.

In point of fact, what has been accomplished by the department since the original announcement has been that the pre-engineering has been completed, as I understand it, with the possible exception of some sophisticated integration in connection with the Blue Water Bridge itself and the possible twinning at the bridge. That, I would think, would not unduly deter the commencement of construction eastward from the present 402 facility. So pre-engineering has been substantially, if not totally, completed in this connection. In my particular riding, acquisition of land has been substantially, if not totally, completed. Therefore, the deputy minister reported to me on June 21 of this year in the following letter:

In reply to your letter of June 10 regarding the construction on Highway 402 eastward from Sarnia, I trust the following will satisfactorily explain the reason for the delay.

On December 18, 1970, the township of Sarnia asked us to consider implementing the Highway 402 construction from Modeland Road easterly, concurrently with their Twelfor drain development. At that time the detail design of our project was

almost complete but it was set aside until the municipal proposal had been investigated. We are proceeding with such design and property acquisition as would not be affected by a decision in that regard.

Our earth borrow requirements for Highway 402 in that area are considerable and material excavated in the municipal project would supply about one-half of our requirements. Our highway culvert requirements would also be reduced and we stand to save a considerable sum by fitting the Highway 402 design to the municipal work. The municipality would benefit by some \$1 million, which would be cut from their total project costs.

If satisfactory arrangements can be made, we would be responsible for the combined project. The combination of projects will involve some re-design of our Highway 402 works from Modeland Road easterly and has also impelled us to defer the work from 1971-1972 to 1972-1973. However, in view of the substantial benefits which may accrue to the municipality as well as to this department, the delay can not be considered too high a price to pay.

It is signed by the deputy minister.

With the permission of the deputy minister, I made that particular letter public in a letter to both newspapers in my riding and I said—well, if I might, it will only take a moment to record the whole letter:

Having noticed in the estimates of The Department of Highways for the year 1971-1972 no capital established for the commencement of Highway 402 eastward from Sarnia, and recognizing the commitment that had been given to the people of my riding last year by the then minister, the Hon. George Gomme, I undertook a letter to the Deputy Minister of Transportation and Communications asking for an explanation.

I enclose herewith a copy of his reply to me, and it would be greatly appreciated if you could see fit to publish both this letter to you and the copy of the letter from the deputy minister to me. As can be seen by my constituents, the delay is in connection with the need for the integration of the highway construction with the drainage design, a necessity of the township of Sarnia. The delay is regretted, but I am inclined to agree that the financial benefits accruing to the township of Sarnia are such that the integration of the project should take place.



That basically is my attitude; I have agreed publicly with the position. I am sure that there are many within my riding who might want to make political gain out of the delay. I guess that is part of the heat Harry Truman talked about, which I will attempt to stand.

I think, on balance, we have to take a reasonable approach in this connection. I think it should be said, and said for the record, that the township of Sarnia has not proceeded over the years, as do many rural and semi-rural municipalities, with the proper studies of the design and water requirements, and in point of fact, it is regrettable in the extreme that we are called upon, because we have the impact of two million cars a year riding over the Blue Water Bridge, of which the department is more knowledgeable than I. We have the impact of the death statistics which albeit have been cut down, but still are there.

I wanted to get perhaps not an undertaking—no minister can give an undertaking in this connection because of the ambivalence of the public will. It might well be he will not be minister. It might well be that he could not give the undertaking to me; I might not be here—but I wanted to record agreement perhaps by the department with me that this undertaking, the construction of 402, stands in a priority position in connection with the needs of controlled access facilities in the Province of Ontario; that the department, as I do, regards it as a regrettable delay; and that had it not been for the significant financial advantage to accrue to the municipality, construction would be under way at the present time.

**Hon. Mr. MacNaughton:** Well, there is no doubt about that. There will be some significant financial benefits accrue to the department too, because the fill will be very useful.

**Mr. Bullbrook:** Would you mind just elaborating on that for the record? I had not mentioned that; perhaps you might show the marriage between the two.

**Hon. Mr. MacNaughton:** Well, I understand there is something involving \$1 million of saving here, which has an affect on both the department and, of course, the township of Sarnia. It is a proximate source of borrow material; otherwise, we would have to go farther afield to probably buy and transport over longer distances. That is about the measure of the advantage.

But as far as a commitment is concerned, it is no problem to make that because just before I left the department the last time we publicized an area transportation study in London which showed this road schematically. To do it then and deny that form of commitment now would not sit very well with anybody; so there is no question about it: it is to go on.

You are quite right: we have had some problems in the London area because of inability to make up minds. I think it is pretty well determined—at least it is by the department—that the bypass will help to facilitate the access to 401 as far as Sarnia people are concerned; that would be the southwest bypass, which is the one we favour, and this is within our jurisdiction. We can do it, notwithstanding what is decided in London; so that stands as a pretty fair commitment, and I guess it is fair to say that the functional aspects of that work are underway now.

**Mr. Bullbrook:** Right. In closing then, Mr. Chairman, may I perhaps presumptuously direct the minister and his department to this consideration? It has been my experience that semi-urban municipalities sometimes tend to lag in connection with design work and needs studies, although I think the MacLaren people have done the needs studies on the drainage in this connection. I am concerned, for example, that we are not caught in a bind, relative to the township of Sarnia not being able to undertake financially the responsibility.

I recognize that this does not concur directly with your responsibilities. I invite the consideration of your department, that in pursuing the integration of these two programmes, namely your highway construction and their drainage, we are not faced a year from now with the fact that the township of Sarnia cannot get OMB approval to continue with its drainage needs. As I represent the people in that area, may I say I feel that there is a greater benefit to delay than there is to commencement at the present time. I would ask you that we do not wait until your particular needs for next year are assessed to ensure that the township is able to get along with its particular aspect of it.

**Hon. Mr. MacNaughton:** Yes, that is quite reasonable and—I mean this quite honestly—you represent the township of Sarnia too, do you not?

**Mr. Bullbrook:** Yes, that is right.



**Hon. Mr. MacNaughton:** So maybe there is room for some joint efforts here.

**Mr. Bullbrook:** Right—absolutely. I am pleased to be involved in that, although I must say that I have always taken the position that my function as a provincial member is to not direct the policy or undertakings of the local municipal council and, I think, with great justification. That is why I hesitate, as the member, to look into it directly, whereas you will be dealing, as a result of the integration, directly with it.

**Hon. Mr. MacNaughton:** Good.

**Mr. Bullbrook:** Thank you, Mr. Chairman.

**Mr. Chairman:** Have you finished, Mr. Bullbrook? Mr. Young? All right, Mr. Stokes.

**Mr. Stokes:** Yes, we have had some sort of indirect or peripheral discussion on the Design for Development recommendations for northwestern Ontario, phase 2, and the minister is well aware of them.

In his previous portfolio, I think, he did emphasize the need for an integrated transportation policy and the capital investment that is going to be made toward a transportation system for northwestern Ontario. I think the minister is well aware of the need. In fact, I think he made it possible for two studies to begin.

One was partially under way and then it was sort of sidelined for a more comprehensive study. I think that is under way in the Kenora-Rainy River area at the present time. I am not going to read all of the recommendations that were made in the Design for Development for capital expenditures for new roads.

If you do have the Design for Development recommendations, it does say continued up-grading of Highway 71 from Fort Frances to Kenora, and Fort Frances to Dryden; from Terrace Bay to Geraldton, by first getting some kind of commitment from Kimberley-Clark as to acquisition of that road and maintenance of it and bringing it up to standard so that there will not be a conflict between these large trucks hauling tree-length logs down to their mill at Terrace Bay and yet provide some safety for the travelling public, if you should choose to make it a public road. It also mentions the extension and improvement of the Spruce River Road from Thunder Bay to Armstrong.

I think what they meant there was that you should take over the northern portion of the road, and put it all under the supervision

and control of The Department of Highways, rather than having a tripartite deal where you look after the bottom end of it, and you have a joint agreement with Abitibi on the middle of it, and the top end of it is Lands and Forests.

I think they would like to see the department take over the entire road so that you could, in fact, lead the way in this integrated transportation scheme that we all envisage for northwestern Ontario.

I am wondering—in the \$360 million there is a relatively insignificant amount, I think, allocated for all of northwestern Ontario in the overall scheme of things. Would the minister be in a position to state even briefly the kind of things he envisages that a capital expenditure in highways would do to promote the kind of development that is anticipated by the design itself? Or is it sort of an intangible thing, or—

**Hon. Mr. MacNaughton:** It would be hard to segregate it, I think, at this point in time. I mentioned on a number of occasions that the report which was presented was an inventory report on what is there now and defining the needs for the future. We are just now in the process of developing the second stage report which from the other levels should, shall we say, throw some more light on this situation.

That report should be finished fairly soon, though, because as I understand it we have the reports we requested from the jurisdictional municipalities. You recall we requested this feedback to see whether our earlier inventory identifications were satisfactory to the people and now I think most, if not all, of those reports are in. They will be taken into account and the second report will come out which will really, then, I think, provide more of the positive direction the department needs.

Some of the things you mentioned, of course, we are familiar with. Highway 71, I have reason to believe, is proceeding on schedule; the construction there has not been easy. It is very difficult. The old road was a bad alignment as everybody knows and it has taken some time.

Mr. McNab, maybe you can comment on this more than I have. I hesitate to go ahead with the original proposals which were our ideas in inventory form without the feedback that we invited. When we get that then we can proceed with more definitive terms to deal with the programme.

**Mr. Stokes:** I think what I am really trying to get from the minister—and I think the Northwestern Ontario Development Council and the joint Chambers of Commerce; you know, they do come down here annually and they make these suggestions, as you are well aware—all I want, I think, and all they want is a commitment that the department and certainly this minister will give them the assurance that he sees a capital expenditure on highways as a tool for development.

**Hon. Mr. MacNaughton:** That type of commitment can be very firmly made. You will recall that the projections in the first report were over a 20- or 30-year period for these requirements. The thing now is to develop the plan and then stage the implementation of it. I think that is what we need from the second report.

There is no question that will be a commitment because, as I say, we were part of the study team that made up the first report which was presented last October. There is just no way to say that is not a commitment because it will become policy.

**Mr. Stokes:** Just to highlight it! You know, as I say, in their annual pilgrimage down here, inevitably in the list of requests there is a connecting highway between 11 and 17 that will open up that entire area. You get pressure from both sides; they cannot even make up their minds as to where it should be located.

I think everybody agrees there should be that link to open up that huge untapped area between 11 and 17, one going on up to Kenora and the other down to Fort Frances. I think that is what they want—a commitment that it will indeed be a tool for development; that is, highway construction.

**Hon. Mr. MacNaughton:** Oh, yes. No question that in policy development terms, and development plans per se, that is it.

**Mr. Stokes:** I have only one other small item that I want to bring to the minister's attention and that is the need for a new road into Macdiarmid. Many of your colleagues have become involved in the community of Macdiarmid, a little fishing village on the east side of Lake Nipigon. The Department of Lands and Forests and The Department of the Provincial Secretary have taken very active interests in this community. Of course, the need for a highway is there and the local roads board has continual trouble trying to impress upon The Depart-

ment of Highways that on many occasions during the winter they do not have access to Highway 11 because of heavy snow conditions. The commitment of highway equipment is to what they call more important areas so it could be three or four days after a storm before you could really get out of this community. It is a problem, again, of alignment, you know—

**Hon. Mr. MacNaughton:** They would sooner let you out of Geraldton.

**Mr. Stokes:** Yes! As I say it is a problem of alignment and in talking to the district engineer, he is actively considering doing something to that road while other construction forces are in the area. They might be able to get it done in conjunction with the on-going work in the neighbourhood, in the vicinity, of Highway 11. I am wondering have you been contacted about this work? Does the deputy minister know anything about it?

**Mr. McNab:** Well, I have not been contacted personally on it. I do not think that this is a direct responsibility of the department, is it? The road into Macdiarmid?

**Mr. Stokes:** No, it is a local roads board deal—

**Mr. McNab:** It is a local roads board deal and—

**Mr. Stokes:** Yes, but there again, there is an Indian community right in Armstrong. They have reserve status and everything else. I am wondering—and that is why I asked the question earlier—in the subsidies allocated to Indian reserves whether we cannot give a one-shot stimulus to providing—

**Mr. McNab:** Unquestionably, this would be the type of thing that could be undertaken on a shared basis. Unquestionably, also, the time to do it would be when there is road-work going on on Highway 17, on a major portion, because the prices would be much more attractive.

**Mr. Stokes:** That is why I brought it to the attention of the district engineer. I have not heard anything—

**Mr. McNab:** Possibly since this comes under Mr. Wilmot, sir, he could comment.

**Mr. Wilmot:** I would think the only stumbling block would be whether or not the federal government could find their share. In actual fact, on many of these reserves, especially



for the more expensive projects, the Indians do not have the capital resources by themselves and the federal government stands in their place.

Of course, the federal government is constrained by a very rigid budgeting system which is based on a project system and they have very little option, in terms of switching, once that budget is established. It would get into a question of timing, because funds may not be available in the year in which the work is being done on Highway 17.

**Mr. Stokes:** Yes, well the reason why I am very hopeful that the federal government will be willing to participate is because anything of a positive nature that happens in Macdiarmid has been because of provincial interest, and I would hope that they would try to keep abreast of things and—

**Hon. Mr. MacNaughton:** So would we.

**Mr. Stokes:** —do something, because the contribution they have made to that community has been negligible and I think now is the time that we should put the pressure on. All I am saying is that I hope the minister will give it favourable consideration when the people at the district level, whether it be the regional director or the district engineer, come asking for approval of this scheme. It is badly needed.

**Hon. Mr. MacNaughton:** You are talking more about the assignment of equipment than anything else.

**Mr. Stokes:** Yes.

**Mr. Chairman:** Mr. Worton.

**Mr. Worton:** Yes, Mr. Chairman, I have two matters which I wish to raise. I had spoken to the deputy minister earlier and he had mentioned to me that this may have come up under research. I have had representation made to me by the residents in the vicinity of the new Hanlon Expressway. There is about one half mile of residential homes there, and in the letter that they presented with the representation they have indicated that the department should consider negotiating with the city of Guelph—which, of course, is paying some 25 per cent of this along with your 75 per cent—in constructing what you would call an earth wall or a sound barrier in the vicinities of their homes.

Now I understand from the deputy that this is still in the experimental stage and the residents there have approached the mayor of the city of Guelph with their thoughts on this

matter, and he has indicated, of course, that they are going to locate trees there. But in the long-term, I suppose, growing the trees will not be of any benefit to them in regard to noise, and I was wondering if you people would consider having this half mile of expressway—it is the only builtup area that is in the total, I guess, five or six miles of the expressway—as a further experiment to see if we can assist these people in overcoming the problems in regard to noise with the incoming of this expressway.

They have been very co-operative with the city and, of course, with the department; they have not made any strong objection to this, and I think it would speak well for us if we could come up with a solution before the problem starts, or try to come up with a solution before the problem starts. And I would like your views on this, Mr. Minister.

**Hon. Mr. MacNaughton:** Well, that is why we have undertaken this experimental project, of course, to determine what is required to provide the sound barrier. Mr. McNab will be more familiar with the facility you are talking about, in any case, than I will.

**Mr. Worton:** The equipment is there now, Mr. Minister, of course—grading the road—and they think it would be much simpler now. Now I realize you have got to consult with the city of Guelph.

**Hon. Mr. MacNaughton:** Except we do not know what to do yet in final terms. That is why we undertook this experimental project.

**Mr. McNab:** Would you like me to answer? As the minister pointed out under a previous vote too, this experiment that is going on now in the vicinity of 401 and Highway 27, has two purposes; first, to test the effectiveness of this type of noise barrier, and second, to see just what specific type of the three or four they are trying there is the most effective. So our policy up to this time has been not to make any further moves in this direction, so that when we do move in other areas it will be with the knowledge of the most effective type.

This of course is a municipal project, the Hanlon Expressway, and unquestionably we will make this type of facility to dampen the noise eligible for subsidy along the same lines as we determine for King's Highways. In other words, if it is effective for King's Highways then it will become an item eligible for subsidy on the regular basis.



And I would certainly agree with the minister here, that it would be rather foolish of us to move too extensively in the area you suggest. But I certainly think that we could have our design people liaise with the consultants looking after that project to make sure if any modification of design can be made at this time—if this is possible, I do not know—to see if anything can be done.

But we are not going to get into any wide-scale construction of these things, either on our own highways that are for subsidy and others, until we can put a handle on the effectiveness on the type that we should be using.

**Mr. Worton:** Well, I think if you can indicate even a modified solution to their request it would be appreciated.

Now the second item, Mr. Minister—

**Mr. Young:** May I ask just one question—one short question? Is this the first time this kind of experimentation has been carried on anywhere?

**Mr. McNab:** Oh, there have been some tested in various places, some of them by accident, where the design has put them in a hole and this type of thing. But I do not know of any place where they have gone to the extent that we have, Mr. Young.

**Mr. Young:** Interesting.

**Mr. Worton:** Now the second one, Mr. Minister—and I hate to bother you with this because I know you have been busy—but the mayor did write me a letter which I forwarded to your Mr. Leach requesting a hearing with you concerning the second stage of the development of the Hanlon. What they are concerned about is not only the road, but is with regard to planning in the vicinity of the Kitchener highway and other work proposals they now have before the planning board of the city and the Municipal Board.

**Hon. Mr. MacNaughton:** We have been contemplating such a meeting with them after we get the estimates and some other things that have piled up cleared away. We would be in touch with them fairly soon for such a meeting.

**Mr. Worton:** That is fine then, thank you.

**Mr. Chairman:** Mr. Morningstar.

**Mr. E. P. Morningstar (Welland):** Yes, Mr. Chairman, and gentlemen. We have a very, very important matter over in our neck of the woods—the Fonthill bypass. Now then, the minister will recall some time ago that the municipal council of the new town of Pelham worked along with the engineers of your Department of Highways for a bypass north of the village of Thornhill. When this bypass came to the attention of the ratepayers and the property owners, there was quite a lot of dissention and a lot of opposition. As you know, we all got letters, piles of letters. Then it was suggested by some prominent people over there that probably your highways people should take a look at the bypass south of the village of Fonthill.

**Hon. Mr. MacNaughton:** That will open up another can of worms.

**Mr. Morningstar:** Pardon?

**Hon. Mr. MacNaughton:** And that opens up another can of worms.

**Mr. Morningstar:** Yes, that opens up another can of worms. Heaven's sakes, I do not know; there was a report in our paper about this bypass south of Fonthill and just where it started on Haist Road and then went south on Highway 20. There have been all kinds of telephone calls and endless radio announcements and all. Getting in touch with your department, we were assured there was nothing definite as yet.

Last Saturday night they had a very big meeting out in the new town of Pelham—they call it Fonthill yet—which Mr. Haggerty and I attended. There must have been over 200 people there. This proposed bypass goes through Mr. Haggerty's riding as well as mine.

We assured them there that we would bring this matter up today under the proper vote, and we would just like to know the feeling of your department, yourself and your department. I might say that we were questioned very closely. We might take a little time here for some of the members to read some of these things.

Here is what they mentioned. They gave it to us as we went in the door, I do not know whether or not you got one.

We would like to present the following points for consideration and comment. These are the questions everyone in our area is asking these days:

Do we really need a bypass?

How can the southern route be called a bypass when it cuts right through an established residential area?

How many people's homes and families will be disrupted by this route?

How will the residents of Merritt Road be affected?

What effect will it have on farm land and woodland close to Fonthill—our backyard ecology?

How are our children going to cross this road to get to schools?

What effect will it have on the new sewer system?

Why does it not bypass E. L. Crossley School?

That would be farther west.

Will it be safe to drive on this road? Within a short span it will cross three regional roads—Canborough, South Pelham, Rice—and one arterial road, Haist Road South, yet the Highways department say they will not build any overpasses.

I do not know who is saying this or where they got the information. I did not get any directly.

How will it affect the whole future development of Pelham?

These are the questions which have been circulated up there and, as you know, Mr. Minister, I have asked for an appointment with the mayor and members of his council for further discussion on this bypass. These are some good points that I think should be considered by your people before any action is taken whatsoever. Perhaps Mr. Haggerty has something to add to what I have already said. I will give you this questionnaire; it might be helpful.

**Mr. Stokes:** Are you for it or against it?

**Mr. Morningstar:** Pardon?

**Mr. Stokes:** Are you for it or against it?

**Mr. Morningstar:** We have to get this worked out. We have to decide whether it is going to be south or north of Fonthill.

**Hon. Mr. MacNaughton:** We got into serious difficulty on every one of the seven lines we have tried to establish down there, particularly the one near Fonthill. We not only got letters from there; we had representatives from two committees come in to see us. One was the Committee of One

Thousand. Fortunately they did not all come in; they sent their representatives.

We had an exhaustive discussion on that and as a result we have agreed to take a look at the headwaters of the river which are going to be involved and, might I say, the flora and the fauna that might be destroyed. We are going to do all these things; we are committed to do them.

For every time you sort of cool out one situation, it appears another can develop, so it is, I said before a real can of worms and that is about what it is. For specific information, I am going to ask Mr. Bidell to indicate to the committee here where we stand at this point.

**Mr. Morningstar:** Yes, I would like to hear it.

**Mr. Bidell:** Following the representations that the minister has referred to, from the Committee of One Thousand and the Ontario Federation of Naturalists, we did promise to investigate the area with them right on the site. This we have done.

About a month ago we did go over the north route with these people who made representation with the minister to discuss the difficulties that they foresaw right on the ground.

The other routes, one of which is a bypass to the south, are being investigated as it was an undertaking to this delegation. We are very actively engaged now in this work and within two months or so we hope to have a final recommendation to make after considering all the factors that were discussed at these meetings, plus the indications that you have tabled here, Mr. Morningstar. These will form part of the final recommendation. To this date there has not been any final decision as to the routing of this bypass.

**Mr. Morningstar:** Well, you figure a bypass is necessary? Have you had the proper towns and that—

**Mr. Bidell:** Yes. If you recall, Mr. Morningstar, during the public presentation of the findings of the area transportation study in the peninsula five years ago, we did find that Highway 20—which will be a very important collector road from Highway 3, in the Wainfleet area to Niagara Falls—will be overloaded in the future such that something will have to be done either through the town of Fonthill or around the town of Fonthill. In other words, a roadway through Fonthill would not be adequate to handle the traffic.



Mr. Chairman: Mr. Haggerty.

Mr. Haggerty: Mr. Chairman, is your planning up to date? Have you taken into consideration the relocation of the Welland Canal? You mention bringing the traffic in from Highway 3. I believe in your study back in 1965 the present minister presented that report on the region—there was a view or a thought that you were going to tie a road in, a provincial highway, some place along Canborough from Cayuga, Highway 3 down, and cut across out to Bismarck. I believe that is the place which would tie into Highway 20. Have you given any consideration, now that the development road, the Webber Road which, with the two new bridges on the Welland River, will tie into the Townline Tunnel and which will be the most important transportation communications system in that whole area—I am talking about Welland region. Now, here you are going to have the new marshalling yards for all the railroads there which will be built on the west side of the canal into Wainfleet township and on the east side into the city of Port Colborne into the town of Fort Erie.

Now I imagine that all this new system of railroads is going to be a new focal point for transportation in that area. Let us take a look at Nanticoke where the new steel plant is going to be located. Half of the trucks will be travelling along Highway 20 through to Smithville carrying steel, perhaps to the Falls. They can take the Webber route directly there and connect with Niagara Falls.

There is also a proposal from the city of Hamilton I believe in one of their reports, suggesting that there should be a four-lane road built on top of the escarpment going to the city of Niagara Falls and tying in with the American cities, the bridge at Lewiston and so forth. Have you given any consideration and thought that eventually—I think it is now 10 years that you have been going to build a bypass—that maybe the whole pattern will change and there is no need to put a highway through the town, or the village of Fonthill, I believe or part of it yet? But I was just wondering perhaps if you have given any consideration to all these things?

I do not know what type of crossing they are going to have at Port Robinson, but I tell you this, if they are going to have to depend on the existing bridge—no I guess it is Allanburg, Mr. Morningstar?

Mr. Morningstar: Allanburg.

Mr. Haggerty: If they are going to have a bridge there I do not think there are too many people who are going to travel over there and wait for boats to come through there because this canal is going to be an expressway. About every 10 minutes that bridge will be up for 15 minutes out of each hour. This is what they tell you. So I mean you are going to have a bottleneck created there and why bring in this proposal at this time.

Mr. Bidell: First of all it is true as you say that the initial area study which was presented in 1965 was based on data that is some eight years old at the present time.

In investigating the need for a bypass for Fonthill there was an analysis made of what effect the relocation of the Welland Canal and so on would have on this, and it was our conclusion that it would not have any effect. In other words the traffic through Fonthill would still be such as to require some additional capacity in the future.

In line with all the other requirements that are becoming apparent in the region, we are well underway now with the second transportation study in the Niagara area.

Mr. Haggerty: A needs study report?

Mr. Bidell: This is a detailed transportation or analysis of the transportation requirements, which will be worked out in conjunction with the regional municipality to ascertain the future requirements in the region.

As I said, we feel at the moment that the bypass in Fonthill, or something in that area, will be needed to increase the capacity. It was our intent and negotiations were carried on with the St. Lawrence Seaway Authority that the new crossing at Allanburg would not be the existing bridge. It would be either via a tunnel or an overhead bridge at that time so that we would not—

Mr. Haggerty: There is a bridge there now that is a lift bridge.

Mr. Bidell: There is an existing bridge at Allanburg.

Mr. Haggerty: That is right.

Mr. Bidell: At the time we would develop Highway 20, as the traffic builds up, the necessity for a new crossing of the canal by that time will have to be contemplated in conjunction with the general upgrading of Highway 20.



**Mr. Haggerty:** Why would you want to take that traffic into the city of Niagara Falls up through Lundy's Lane? I am talking about heavy trucks and that through there. If you are talking about tying in with Lewiston Bridge and that, you must find—I mentioned about tying in with the townline tunnel. You are completing Highway 140. Well there is a new county road now that ties into a new bridge over Welland River east of the City of Welland around B. F. Goodrich.

**Mr. Bidell:** That is Highway 140.

**Mr. Haggerty:** This is right. You could take the traffic that way.

**Mr. Bidell:** First of all, it is our plan not to tie Highway 20 into Lundy's Lane at all. As a matter of fact the contract that is now underway at the interchange for the Queen Elizabeth Way and Highway 20 into the City of Niagara Falls is based on the closing of the interchange on the Queen Elizabeth Way and Lundy's Lane.

In other words, Highway 20 is being re-located now to tie into the Queen Elizabeth Way extension, as we know it, into the City of Niagara Falls so that the traffic will not be brought into Lundy's Lane.

**Mr. Haggerty:** I note the Committee of One Thousand made a few comments on ecology in the area there, but it is amazing to me why they have not picked up this scenic drive route that has been suggested by the municipalities of Niagara and, I think, Wentworth county. Here is something that could destroy the whole face of the escarpment plus this other recommendation from the City of Hamilton.

I think if these persons were aware of these things, they would look twice. From looking at the drawings and what was said the other night at that meeting, I would have to agree with council. I think the north route is the only reasonable one provided you need it.

Have you ever given any consideration in this particular area to using part of the old route going down into the village for one-way traffic west, and going over to the next concession road where you should not have to purchase any property already provided with road base—it is a one-way street or road—going west to east? It is an economical way to do it. You do not have to go in and destroy land or property. You are not bothered with oncoming headlights at night

like you are on the Queen Elizabeth east at the Hamilton circle.

Have you ever given any consideration to perhaps using or trying this system out? I remember—

**Mr. Bidell:** No we have not.

**Mr. Haggerty:** I remember a professor from the University of Western Ontario giving us quite a speech on this one night and I thought it very interesting. The department should follow perhaps some of his suggestions on this.

**Mr. Bidell:** Perhaps if you would provide us with a sketch or something along that line to indicate what you had in mind. We have not checked into anything along the lines that you have outlined.

**Mr. Haggerty:** You have the bypass. This is it. You can see it there. There is a road—Tise Road I believe—and perhaps it runs right straight through to the existing road where it connects into Highway 20. Put it one way this way and one way the other way and you are cutting down on half the traffic flow.

**Mr. Bidell:** It would be very difficult to make; you mean to make the existing highway eastbound?

**Mr. Haggerty:** The problem is in the Font-hill intersection right now where the streets are not large enough to handle the traffic.

If you put it one way going east and you come up the other way west and go one way that way—

**Mr. Bidell:** No, but the fact is there is a great deal of development along the existing highway so it would be impossible to make it one-way eastbound because people have to get to their places of abode.

**Mr. Haggerty:** Well, it is being done today when you put one-way streets in the cities with all the homeowners' cars. Do they get around?

**Mr. Bidell:** Well, yes, but here we are talking about comparatively short blocks where people can make U turns and so on, but the scale that you have indicated on the map is perhaps five or six miles. It would be very difficult to implement this.

**Mr. Haggerty:** Well, on some of your other roads, perhaps you should—but I question it along the lines of Mr. Morningstar. I do

not think there is a need at the present time and I think by the time you are ready to build or construct this road, your whole pattern has changed.

**Mr. Bidell:** Well, of course, we are not saying that the construction is needed immediately for capacity. What we are doing is preparing for what will be required in the future.

**Hon. Mr. MacNaughton:** We have to protect these rights of way now or, heavens above, they will be impossible to obtain later on and the cost will be prohibitive if we allow too much property to—

**Mr. Haggerty:** Well, you can do this through a municipal plan though, can you not, and designate certain areas there?

**Hon. Mr. MacNaughton:** Well, we have been in touch with the region and the municipal planners but it is a difficult area to get into. There is no question about that.

**Mr. Haggerty:** That is right.

**Mr. Morningstar:** Away from Fonthill.

**Hon. Mr. MacNaughton:** Yes. It is not easy.

**Mr. Morningstar:** Well, we appreciated the co-operation we got from your department with the traffic lights there at that intersection. They want to fix the streets up now. They are very grateful, those people in Fonthill there, for the work that has been done in the past, but if traffic increases the way you say, why then we will have to consider—

**Hon. Mr. MacNaughton:** Something will have to be done. Well, let us put it this way—we are not going to ram it through and upset a lot of people until we have to.

**Mr. Haggerty:** Well are you going to accept a proposal from the city of Hamilton discussing or proposing a four-lane highway on top of the escarpment? If you put that up there, then there is no need to go through the village of Fonthill.

**Mr. McNab:** This is the first we have heard of it so—

**Hon. Mr. MacNaughton:** Well, we have had proposals for the use of the escarpment for roads for how many years?

**Mr. McNab:** That is the scenic route that we are talking about.

**Mr. Haggerty:** Perhaps I should read it into the record. This is from the report.

**Hon. Mr. MacNaughton:** Suggest a road on the escarpment and see what you get.

**Mr. Haggerty:** This is right, but it is from the South Ontario Economic Development Council. Perhaps your department is not aware of it.

**Hon. Mr. MacNaughton:** Well I have seen a book from the county. They have been working on that, for heaven's sake, for seven or eight years at least to my knowledge.

**Mr. Haggerty:** It says:

A highway above the escarpment: The Regional Development Council endorses the submission of the city of Hamilton which recommends the location of a mountain freeway, south of the escarpment, linking Highway 403 by alignment which would continue on top of the plateau, extending easterly along the Niagara Peninsula to connect with road systems in New York State.

And it goes on to say this is shown in detail in figure 2.

**Hon. Mr. MacNaughton:** Well, according to today's attitudes, I would lack a sufficient amount of courage to have a shot at putting a road on top of the escarpment.

**Mr. Haggerty:** I agree with that.

**Hon. Mr. MacNaughton:** You can recommend it but I have not got enough courage to try it.

**Mr. Haggerty:** No, I agree with you. I do not want to see it either, but this is a recommendation.

**Mr. Gaunt:** There would not be one of your friends in that, surely?

**Hon. Mr. MacNaughton:** I cannot think that is any way to win friends and influence people, somehow or other.

**Mr. Morningstar:** Mr. Chairman, to the minister: We are very grateful—

**Mr. Haggerty:** —about two or three miles off the escarpment the road would be constructed.

**Mr. Morningstar:** We are very grateful to hear it is now being dealt with, you know.

**Hon. Mr. MacNaughton:** We are taking this all into account, Mr. Morningstar.

**Mr. Haggerty:** Report of the South Ontario Economic Development Council.

**Mr. Chairman:** Are you through, Mr. Haggerty?

**Mr. Haggerty:** Well, that is what I wanted, just on that subject there.

**Mr. Chairman:** Well, we will go on to Mr. Root.

**Mr. Haggerty:** But you are going to give it further consideration? You are not going to get residents riled up any more than what is necessary?

**Hon. Mr. MacNaughton:** I am not going to rile anybody up any more than we can help, I will tell you that.

**Mr. Chairman:** Mr. Root.

**Mr. J. Root (Wellington-Dufferin):** Mr. Chairman, I have been listening to them build highways all around me and running into problems, so maybe I can give you some easy ones to solve. At Shelburne I have had representation that there could be a third lane, just at the eastern part of Shelburne on 89. They established a liquor store on the north side of the highway and the traffic coming into the—incidentally, that has been a dry area a long time and probably they are trying to make up for lost time—there is a lot of traffic and coming in from the east they turn in. But if they are coming from the west, from the Mount Forest area, heading north on Highway 89, and someone wants to make a left turn into the liquor store and the traffic is heavy, they block everything. It has been suggested to me that if we put in a third lane, a passing lane, and let the traffic flow, we would solve the traffic congestion and eliminate a point of irritation with the people.

**Hon. Mr. MacNaughton:** Do you mean a turning lane?

**Mr. Root:** No, a passing lane.

**Hon. Mr. MacNaughton:** A passing lane.

**Mr. Root:** Coming out of the village of Shelburne, the people who want to turn into the liquor store have to wait for traffic coming the other way and they block the traffic—it is only a two-lane highway—coming out of Shelburne traffic piles up. I have had a number of representations from the reeve and other responsible people for a third lane; it would not cost a lot of money and the traffic could flow around.

**Hon. Mr. MacNaughton:** That makes some sense.

**Mr. Root:** Then I want to thank the department, after a lot of representations, for putting a flashing signal on Highway 24 at the intersection of Trafalgar Road and the extension of Wellington county road 24. We had a series of serious accidents, some fatal, every few weeks. After a lot of pressure, you put a flashing signal up, and I want to tell you since that light went up, there has never been an accident. Now a man who lives on the corner says, "Could they not make the light a little dimmer? It flashes in my house."

**Hon. Mr. MacNaughton:** It goes to prove you cannot please everybody.

**Mr. Ruston:** That is right.

**Mr. Root:** But it probably saved a lot of lives. You also put lights over your signs at the intersection of the Fergus-Orangeville road, Dufferin county road 3 and Highway 9, and that has stopped the complaints we had there, that they could not find the intersection at night.

I have had pressure for another flashing signal north of Rockwood on Highway 24; that is the point where the county in its wisdom decided to end the development road and move it over several concessions. This is causing me a lot of grief. They say that there should be a flashing signal; there is a lot of traffic coming down the hill on the township road. How many vehicles per day do you have to have on a road before you will put up a signal? There have been some bad accidents there; in fact, two of my neighbours were killed on that corner.

**Hon. Mr. MacNaughton:** You know, Mr. Root, they have what they call a system of warrants that has to do with that sort of thing. I cannot figure it out myself, but maybe somebody else can. It is probably quite academic to those who understand it.

**Mr. McNab:** It certainly would not be on the basis of how many cars alone you have to have; it depends on the type of intersection, the type of turning movement, how close the intersection is to buildings and so on. Sheer volume of traffic alone is not the determining thing; it is a combination. Could you add anything to that, Mr. Bidell?

**Mr. Bidell:** No, that is about it.



**Mr. Root:** I thought you probably had to kill a certain number of people, and then—

**Hon. Mr. MacNaughton:** You get more warrants for that.

**Mr. Root:** You get more warrants?

**Hon. Mr. MacNaughton:** Oh, yes.

**Mr. Root:** Well, that is what I said to the former minister: Tell me how many you have to kill—

**Hon. Mr. MacNaughton:** Something along those lines.

**Mr. Root:**—and we will solve the problem.

**Mr. McNab:** In connection with this—and I know this is recognized—I do not think there is an intersection of any significance at all where we have not had at least one request for a flashing light, a stop sign or something of that nature.

**Hon. Mr. MacNaughton:** Or signal lights.

**Mr. McNab:** Or signal lights. And frequently, particularly with signal lights, under certain conditions they can cause more damage than good; also, if they are indiscriminately placed, people just ignore them in any event. Talking about flashing lights and these devices, they have to be meaningful.

**Hon. Mr. MacNaughton:** You find they are colour-blind sometimes.

**Mr. Root:** Familiarity breeds contempt. But this was a fairly level intersection. I do not know why the people just drive through it—probably it is because it is level both ways—but we have had quite a number of accidents there and I have had pressure—

**Mr. McNab:** They would not be drinking up in that area; it is other areas—

**Mr. Root:** They come out of—well, I will not say where; Harry is not here.

**Mr. Stokes:** He mentioned a liquor store there.

Interjections by hon. members.

**Mr. Root:** I believe in the local option principle; when the people decide they want it, let them have it. If they break their necks, they asked for it.

**Mr. B. Newman** (Windsor-Walkerville): Did I not see your car parked out there the other day?

**Mr. Root:** Then I want to commend your department, sir, on letting a contract to construct that road from Acton to Ospringe. There are five lots in there that were a night-mare, and every Sunday afternoon they have a raceway up at Ospringe, which really shakes me up and my respect for the Sabbath; there is a lot of traffic and this is going to solve the problem.

Then we get the traffic up there, of course. There has been pressure to have Highway 25 extended north to pick up 104 at Grand Valley, go on to 89 and eventually cross over 10 and 24, and give an alternate route into the Georgian Bay area so that you could relieve some of the congestion in the Toronto area. Motorists could go up 25 and see a beautiful part of Ontario, follow the Grand River valley and get up into that wildlife sanctuary. I hope you are keeping that in mind.

**Hon. Mr. MacNaughton:** The member will admit that we are pointed in the right direction anyway.

**Mr. Root:** The minister is pointed in the right direction. Actually, a lot of that road is paved now. Another 4½ miles will take it from Highway 9 to 89; I think there are about 16 lots—depending on how you go from 25—and it will all be paved. You are paying 50 per cent of the cost of maintenance now; so it will be just a matter of paying the other 50 per cent. There is a stretch from Primrose to Mount Forest, 30 miles, without a single north-south highway; everything is on the municipal roads. I think we have a few good claims for consideration in that area.

Another thing that I was wondering about is extending the Trafalgar Road. I realize that this is a municipal road. It has been built as a development road right across Erin township to the Dufferin boundary. Dufferin has built it to the Fergus-Orangeville road, which is county road 3 in Dufferin. Another 4½ miles, and it would be completed right through to the Highway 9. This road carries a very heavy load of traffic and it is picking up all the time with people heading north. I do not know whether you have any influence on where they designate development roads or how do you go about—

**Mr. Haggerty:** The minister has it all.

**Mr. Root:** —completing that gap, that would be paved all the way from Oakville right through to Highway 9. It is carrying a lot of traffic. You get to the Fergus-Orangeville road and then you have four and one-half miles of dust.

**Hon. Mr. MacNaughton:** I see Mr. Wilnot making extensive notes over there. Presumably that is what it is about.

**Mr. Root:** To meet the volume of traffic going through there, it makes a lot of sense to speed it up. When you come to a dead end, you either swing over to Orangeville or take the gravel road.

**Hon. Mr. MacNaughton:** Is that in Dufferin?

**Mr. Root:** It is in Dufferin, a great county.

**Hon. Mr. MacNaughton:** Maybe Dufferin has got enough eligibility to do that itself. However, we will have a look.

**Mr. Root:** This is what I wondered. I know I think they felt that when East Garafraxa got the Fergus-Orangeville road built as a development road it had its share, but really when you come within 4½ miles of a connecting link, there should be some way it can be worked out so that it is completed through there. It could be another possibility of extending Highway 25, although do not tell anybody in my area that I ever said that.

**An hon. member:** The member just put it on the record, did he know that?

**Mr. Haggerty:** Hansard, cancel that.

**Mr. Ruston:** It is in there now.

**Mr. Root:** Okay. Well, it is a possibility. I have been looking for ways of getting from 25 through, and that is another way. Oh, I can think of other places you could spend money, but I thought you were running into problems.

**Mr. Haggerty:** The member will get his share.

**Hon. Mr. MacNaughton:** Not too bad.

**Mr. Root:** They want you to slow down to the south and I hear them talking about all these roads up north and I am all for developing the north, but—

**Hon. Mr. MacNaughton:** The member would say that that would do for openers?

**Mr. Root:** I beg your pardon?

**Hon. Mr. MacNaughton:** You would say what you propose to do would do for openers?

**Mr. Root:** I hope that I have planted a few seeds that will grow and bear fruit in the days that lie ahead—

**An hon. member:** You give me the roses and give me the water jug.

**Hon. Mr. MacNaughton:** —and the fertilizer.

**Mr. Root:** When I drive through northern Ontario—and I drive a lot up there, and I am always for opening up the north—and see their miles of new highways that did not even exist when I was first elected, all the way from the Soo right through to Nipigon on 17, that beautiful drive through there, then—

**Mr. Stokes:** We did not even have the Trans-Canada Highway then.

**Mr. Root:** No, I agree that has all been built. Then you start at Fort William and you go through to Atikokan and the minute that Premier Frost cut the ribbon at Atikokan, the cry was, "On to Fort Frances. On to Fort Frances, and on to Red Lake." Why the little bit that I have asked for, I am almost embarrassed to ask for so little.

**Mr. B. Newman:** The minister is blushing.

**Mr. Root:** Such a piddly little bit.

**Mr. Stokes:** He spent more on a cloverleaf than you and I asked for in 10 years.

**Mr. Chairman:** With that happy note we will adjourn until 8 o'clock; Mr. Ruston coming on.

It being 6 o'clock, p.m., the committee took recess.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Transportation  
and Communications

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Monday, June 28, 1971

Evening Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JUNE 28, 1971

The committee resumed at 8.05 o'clock p.m. in Committee Room No. 1.

ESTIMATES, DEPARTMENT OF  
TRANSPORTATION AND  
COMMUNICATIONS  
(continued)

On vote 803:

Mr. Chairman: Mr. Ruston.

Mr. R. F. Ruston (Essex-Kent): Mr. Chairman, I have one or two items I want to ask about. I would like to mention about the E. C. Row Expressway in Windsor and the purchase price of some property there.

I asked the minister a question one day in the House with regard to this and on May 25 he gave me an answer that they had purchased 14.19 acres at \$12,500 an acre for a total of \$177,375.

However, there must be some discrepancy, because the city of Windsor paid Marentette Brothers \$1,267,000 for property for the E. C. Row Expressway. I have a plan of expropriation here which shows 14.19 acres in the area—this is an area where the old Michigan Central roundhouse was in Windsor.

About the variation in price—I see in the Windsor Star reference to a council meeting in Windsor where they were quoted as paying \$66,000 an acre for land for the E. C. Row Expressway. It is very hard to understand where you can come up with a figure of \$1,267,000 for any small piece of property on the route of this expressway. As much as I understand, this is being administered by the city of Windsor and the province must be putting up 75 per cent. Since we are paying 75 per cent out of provincial funds it seems to me there has to be a better answer than what I got from the minister the day I asked him.

Do you or any of your assistants today have anything with regard to those quotations, Mr. Minister?

Hon. C. S. MacNaughton (Minister of Transportation and Communications) Yes,

the deputy minister is fully knowledgeable about that. Mr. McNab.

Mr. A. T. C. McNab (Deputy Minister): The value of the raw land would not be anything like that figure quoted; the \$1 million or the \$1.5 million, or whatever the figure was. This was a going industry.

Mr. B. Newman (Windsor-Walkerville): What industry is that?

Mr. McNab: Marentette Construction Company.

Mr. B. Newman: Was a going industry?

Mr. McNab: Yes—a going industry.

Mr. Ruston: Going out—

Mr. B. Newman: Going out of business, you mean.

Mr. McNab: They are still taking contracts from us.

But anyway it was on the alignment of the expressway. The appraisals which were made—our own, that of the city and independent ones—covered the following things: The actual value of the land, the disruption to business, the cost of the buildings themselves, the cost of moving the equipment, the relocating of the rail line servicing it; all items that would be involved in acquiring a going business and setting it up in the same condition as it was before we took it. This is how this value was arrived at.

Mr. F. A. Burr (Sandwich-Riverside): How long have they been there—do you know?

Mr. McNab: Many years, I could not tell you. I have not got the appraisal files here but—

Mr. Ruston: The information I have was that property was bought by Marentette Brothers 12 years ago for \$78,000—

Mr. McNab: Yes.

Mr. Ruston: —and they still have 10 acres left in their name?

Mr. McNab: Yes.



**Mr. Ruston:** They did not sell it all to you?

**Mr. McNab:** No. This is all completely authenticated as to the value, the value of the business, the whole—

**Mr. Ruston:** I have been by there many times. It is on my route into Windsor. I have been going by there for 35 years and I cannot imagine—I know that land is valuable and I realize it is more valuable when someone has to buy it—but the buildings on that property are practically useless.

**Mr. McNab:** Would they be useless to Marentette for conducting his business?

**Mr. Ruston:** I say useless. They may not be completely useless, but as far as the value of them, there was never that much to the buildings or any substantial material in them.

**Mr. B. Newman:** An old roundhouse.

**Mr. Ruston:** The old roundhouse. But what is the old roundhouse good for?

**Hon. Mr. MacNaughton:** If that had gone to the expropriation committee—maybe it did, maybe it did not—the committee would have followed the procedure that was strongly recommended by most members of the Legislature, and that is an owner of a home or an owner of a business is entitled to what it would cost to replace it.

**Mr. Ruston:** Yes. I do not deny that at all. I do not deny that one bit.

**Hon. Mr. MacNaughton:** Presumably then, the appraisal was based on what it could cost him to replace the facilities, never mind their age. He had to do it somewhere else.

**Mr. B. Newman:** If you have to use that as the criterion, Mr. Minister, you probably would not have paid much more than \$250,000 for it then.

**Hon. Mr. MacNaughton:** That is not what the appraisal says.

**Mr. B. Newman:** The appraisals were your own appraisals. Did you get an outside appraisal?

**Hon. Mr. MacNaughton:** No. We had our appraisals, the city had appraisers. The collective appraisals were what the purchase price should be.

**Mr. B. Newman:** They were the purchase price. In other words, the appraisal said \$1 million—and what is it?

**Mr. Ruston:** And \$267,000!

**Mr. B. Newman:** Two hundred and sixty-seven thousand dollars!

**Hon. Mr. MacNaughton:** The two appraisals I have been given to understand matched each other sufficiently to support the price asked; and an independent firm of fee appraisers was brought in as well.

**Mr. Burr:** What was the estimate of the cost in the Dillon report in 1967? What did they expect it would cost?

**Mr. McNab:** I do not think they had individual properties. They would not go into the extent of breaking down the cost of moving business equipment, relocating the rail line and what not—

**Mr. B. Newman:** It would not be much of a rail line relocation at all for that type of business.

If you are familiar with it, you know that it was really nothing there, really nothing.

**Mr. McNab:** This of course is why when the city brought in their appraisal we checked it very, very closely and could not disagree with it on the basis of what we got from independent appraisers.

We never rely on one appraisal, or even our own appraisal when you get into values like that. There is information that can be obtained. We can table it.

**Mr. B. Newman:** We cannot argue with your appraisal on it. The thing is it seems really out of line for the price you paid for the property when you look along the E. C. Row and see far more substantial pieces of property purchased for nowhere near that price.

Once the shopping centre was set up there, the property did not really appreciate in value because you could not have put a centre there at all.

The only thing you could have done is what has been done. It has been taken over by the province because the people who owned it attempted to have the little they have there rezoned for another shopping centre, and the local zoning board turned it down.

**Mr. McNab:** That is the unfortunate position we find ourselves in. We are the people going to them. We must acquire the property for the highway facilities.

**Mr. B. Newman:** We cannot argue with you there. The thing is, you know, somehow it seems to be such an outlandish price to pay for sort of scrap property, you know, it was gore shaped property in there, the only thing it could have been used for really was what it was used for and if the appraisal says it was worth that, gee whiz, I wish I could have that kind of an appraiser take care of my property when I wanted to sell it.

**Mr. McNab:** Well it just was not one appraisal.

**Mr. B. Newman:** No, I am not saying one at all.

**Hon. Mr. MacNaughton:** You would still have to take into consequence what you would have to pay for another house.

**Mr. B. Newman:** Well that same facility could have been duplicated for probably one-third that price anywhere else. If you try to look at an exchange for the thing—because the buildings were not substantial at all. The office building that they did have there was simply a plywood type of building. When it caught fire you know it just went up poof and that was it almost.

**Mr. McNab:** Not the round house there?

**Mr. B. Newman:** No, no, they had an office that was set up in there. I do not know if the property was purchased before the office went up or not, but they certainly did have intentions of pulling out of there quite some time ago because it was not ideally located there.

**Mr. McNab:** It was on a railroad spur was it not, which would be convenient for construction business getting in material and so forth?

**Mr. B. Newman:** I do not think that would have been a convenient spot. There could have been by far more convenient places. It would have been a nuisance to have that with a shipping centre across the road.

**Mr. McNab:** No, for the purpose that they were using it for?

**Mr. B. Newman:** Only for that that time when the Devonshire shopping centre was going up and it was extremely convenient. The only thing is the price really seems outlandish for what you got from them and also what you are paying for other properties down E. C. Row.

**Mr. Ruston:** When you think of that going from somewhere like the Ashton Motel—you would know that was over on Dougall—and they paid \$285,000 for that, but it is a large hotel, well established and going for some time, had a restaurant and so forth. It might seem like a lot but it looked to be more in line with what it would be worth and, of course, Penn Central received considerable for this, so it was not—I thought at first maybe this included all the railroad—but Penn Central received \$125,000 for their share.

Well, on a ramp on Highway 27 at the Queen E—a number of people have probably driven it—a second truck has gone over the side. In the engineering of that ramp I think the speed limit says 45, if I remember correctly driving over it, in fact I changed my driving habits coming down 27. I went down number 10 because I think it is a little safer.

However, that ramp is very treacherous if you ever come on it. I came on it coming off at the regular speed and unless you really brake fast you can just feel your car starting to move. It looks to me as if there was some engineering there that does not look too good.

**Hon. Mr. MacNaughton:** Which ramp is it?

**Mr. Ruston:** At 27 and the Queen E., going south—

**Mr. B. Newman:** Coming into Toronto?

**Mr. Ruston:** Yes, coming into Toronto; going south on 27.

**Hon. Mr. MacNaughton:** Going off you mean?

**Mr. Ruston:** Going off 27 onto the Queen E. Another truck went over the other day. A brewers' warehouse truck went over the other day and about a month ago there was another one. It just seems to me that construction of it is just not right. Now they have got the warning sign up 45 miles an hour and I think you are going to have to get some larger warning signs up and even maybe cut the speed lower than that.

**Hon. Mr. MacNaughton:** Is there a designed speed on that ramp?

**Mr. W. Bidell** (Executive Director, Planning Branch): This ramp was designed for 50 miles an hour.

**Mr. Ruston:** Well I would not doubt that a heavy car at 50 or 55 could probably make it but I sure would not want to make it with a light car or truck.

Mr. Bidell: I think you said the curve was speed-zoned for 45?

Mr. Ruston: That is right!

Mr. Bidell: I see, but the actual design—

Mr. Ruston: Well yes, it gives you five miles.

Mr. Bidell: Both the sharpness of the curvature and also the super elevation, were designed to accommodate 50 mile per hour.

Mr. Ruston: Well it probably was designed, but I just do not know for trucks. I do not think they are going to be able to make it, it does not look it to me unless they are coming off 27 at an exceptionally high speed of 65, maybe, and do not slow down fast enough. But I know myself I have come on to it at 55 and brake pretty fast.

Hon. Mr. MacNaughton: Well, the safety officer and the director of the design services branch drove the south-bound ramp at a speed of approximately 55 miles and encountered no difficulty whatsoever. It should be pointed out this man was driving on a wet surface which makes a great deal of difference.

Mr. Ruston: Oh yes.

Hon. Mr. MacNaughton: A very great deal and if you are driving a truck I think maybe you might discount the design speed a little bit on the wet pavement.

Mr. Ruston: On any request, Mr. Chairman, through you to the minister from the county of Essex, has the minister had a request to visit the county and make a tour of the highways in that county?

Hon. Mr. MacNaughton: Yes.

Mr. Ruston: Do you expect you will be able to carry that out some time this summer?

Hon. Mr. MacNaughton: Hopefully. Time and circumstances permitting, yes.

Mr. B. Newman: Stay in Windsor-Walkerville.

Hon. Mr. MacNaughton: Why?

Mr. Ruston: He has no highways.

Mr. B. Newman: No highways in there.

Hon. Mr. MacNaughton: Oh I will visit my daughter. She lives in Riverside; that is pretty

close. I would have to go through Windsor-Walkerville.

Mr. B. Newman: No you do not have to at all, Mr. Minister.

Mr. Ruston: Mr. Minister, you can come through my riding any time, it is all right. Just as long as you tell me when you are coming.

They had a request, I think, asking the department to take over Howard Avenue out to Holiday Beach. And I am sure you and the department are aware of the heavy traffic that leads to the provincial park and Holiday Beach, with the influx of American traffic as well as our own local traffic. I think that is something you should consider.

We do not have a north-south highway, actually. I know we have a number going east and west and as you are aware, I think the minister said some of them are redundant and that is why they gave them back to the county. So perhaps we should have a north and south one because people do have to go both ways you know in Essex county. We may be at the end of the province in one way, Mr. Minister, but we also have about 20 miles north and south and I think that we should have a highway going north and south under the jurisdiction of The Department of Highways.

Hon. Mr. MacNaughton: You have got three sides at least. You have not got four but you have three sides.

Mr. B. Newman: With a gap in it.

Mr. Ruston: We have 77 of course up to Comber and of course you can always complete that down to Stoney Point into the Tremblay Beach and the provincial park there, so we have lots of places to show you that we would be glad to have you take over jurisdiction of—

Hon. Mr. MacNaughton: It might take me longer than I thought to get there with everything you are telling me.

Mr. Ruston: Oh no, it does not take long. I have just one other thing. Some members from Ottawa were mentioning, and I have some relatives down there that are asking about Highway 16, and it was brought up here, but is that supposed to be under a plan for reconstruction or what?

Hon. Mr. MacNaughton: Total reconstruction.



**Mr. Ruston:** That is from Prescott into Ottawa?

**Hon. Mr. MacNaughton:** Yes, it is still under construction up through Spencerville.

**Mr. Ruston:** It is under construction? Because I was looking at the book and there are no places really on it to speak of for construction this year.

**Hon. Mr. MacNaughton:** There are about three or four contracts on it right now.

**Mr. Ruston:** Okay. I think that is all I have right now, thank you.

**Mr. B. Newman:** Mr. Minister, if I could, I would like to follow through on the E. C. Row and ask the minister when the department contemplates having the overpass at Dougall Avenue completed and in use? Will it be completed this year?

**Hon. Mr. MacNaughton:** We will have to ask Mr. Bidell about the scheduling or Mr. Wigle.

**Mr. B. Newman:** That is the first project in the area and you plan on having that done first. What do you plan on following after that?

**Mr. McNab:** You have got to complete overpass, that is the main thing.

**Mr. B. Newman:** Yes. Now in your overall planning have you a target date for completion of the whole project if everything goes on as contemplated? When is your target date?

**Hon. Mr. MacNaughton:** Yes, we do. August.

**Mr. B. Newman:** I understand, I am only throwing this out just so that we do not have the lull, that is all. The planning also is arranged so that you would come along and develop one middle portion and still maintain traffic right along on a second portion by re-routing, naturally, wherever the construction is, and then eventually the linkups between the various major crossings or major areas of construction. Am I right on that?

**Hon. Mr. MacNaughton:** I would hope it is planned that way, but again we will find out the details from Mr. Wigle.

**Mr. W. G. Wigle (Engineering Division):** The first major contract was awarded last year for approximately \$4 million or just under. It was really grading and drainage and

it included the specially designed culverts and the relocation of the Grand Morais drain.

There is a second major contract to be called this year with a value in the order of \$5 million which includes the three structures and the granular base and paving, which, when completed, will provide an access over the Penn Central Railway and Highway 3B. Now the future projects will be—

**Mr. B. Newman:** When do you contemplate that being completed?

**Mr. Wigle:** This would depend to some extent on the actual date of award and the contractor's schedule of work.

**Mr. B. Newman:** Are there funds in the budget to complete that much in this present year?

**Mr. Wigle:** There are funds in the budget to provide for the payment of the work that is done in this current year. You appreciate with a contract of this magnitude, it will not be completed in one year. I do not recall offhand whether or not it would finish toward the end of 1972 but much would depend on the progress made by the contractor.

**Mr. B. Newman:** In other words, even by the end of the ensuing year, you will not have the overpass over the New York Central railroad tracks nor the overpass over Dougall Avenue which is 3B. That will not be completed this year?

**Mr. Wigle:** I do not expect that it would be open to driving.

**Mr. B. Newman:** May I ask you, Mr. Minister, through the chairman, why did you not carry on the work during the winter months last year or this year? Why was work not going on? They put off—

**Mr. Wigle:** Again, if I may, I think the type of work that was required—basically, the grading and drainage work—was done in preparation for the structure and the granular base and paving work. As we were discussing a while ago with one of the other projects, I believe, on 417, it was necessary to place the earth material to allow consolidation of the fill before proceeding with the granular base and with the structures. It is necessary to let this material stabilize for a while before you proceed with the balance of the contract.

**Mr. B. Newman:** If I am not mistaken, there was still some grading going on or they were still bringing in dirt after the winter

months. Then they did some of the grading, whereas to me—I am not an engineer so I do not know if it is right to be doing it that way—some more of that fill could have been put on and everything prepared so that, more or less, the finishing work could have been done when the warmer weather came in. You know there was an unemployment problem in the community at that time and this could have alleviated a bit of the unemployment problem.

**Mr. Wigle:** There was some problem with the acquisition of the right-of-way for the construction of these earth fills. I think you would find that the earth was placed at the approaches to the structures where it was needed most to have the settlement take place first. Then the balance of the grading is bringing up the roadway in the lower spots where settlement is not anticipated to be a problem.

**Mr. B. Newman:** You are aware that you really wrecked your own provincial teachers' college by the planning there? Now you have to put a chain link fence really close to the teachers' college. There is some poor planning somewhere, whether it was in Education or in your department here with the highway and the location of the teachers' college.

**Hon. Mr. MacNaughton:** It must have been in Education.

**Mr. B. Newman:** Well, I would imagine! I do not think that this department would do this at all, no. But, you know, it is not placed properly now. It is just too bad that this has happened because you have cut off the front yard from the teachers' college. It is not the nicely-located and aesthetically nice building that it was prior to E. C. Row coming in there.

Had the building itself been placed farther back or a little more to the west, it would have been far better. There was some sloppy planning somewhere in government; whether it happened to be in Highways or Education or Public Works, I do not know. Maybe I should just blame it on this minister! No?

**Hon. Mr. MacNaughton:** Why not? Everybody else does!

**Mr. B. Newman:** Well, you are very congenial when you accept, Mr. Minister. I am not trying to place the blame on you, but the location of the overpass on Dougal Avenue did not add anything to the teachers'

college. As the progress of the E. C. Row continues, it will be—

**Hon. Mr. MacNaughton:** How are you going to get across Dougal Avenue without an overpass?

**Mr. B. Newman:** Just a little farther to the south that is all, rather than to the north where it has cut in. The overpass does not, it is one of the—

Interjection by an hon. member.

**Mr. B. Newman:** No, no. Actually it was one of—what do they call it—the access roads or the exit that messed the whole thing up rather than the construction itself. Had the construction been over a little farther maybe that would not have taken place. But that is another thing. The E. C. Row overpasses will not be completed by the end of 1972?

**Hon. Mr. MacNaughton:** No, I would not think all of them would.

**Mr. B. Newman:** No. What I mean is that one overpass which we are talking about, the New York Central, the Dougal Avenue overpass, so—

**An hon. member:** And the Howard overpass.

**Mr. B. Newman:** And the Howard Avenue overpass, right?

**Hon. Mr. MacNaughton:** Any likelihood of some of them being completed before 1972.

**Mr. Wigle:** I think there is always a possibility. For the completion of the entire contract and to use the entire work that was under way or will be under way within the next few months—to expect to have that all completed by the end of 1972, well, we have to have a very good contractor and very good weather conditions.

**Mr. B. Newman:** Yes. Are you planning or having some portion of it done, even the three overpasses there—Howard Avenue, New York Central and Dougal Avenue? You are really planning that as a package deal, are you not?

**Mr. Wigle:** Yes.

**Mr. B. Newman:** Yes. So that even if you completed one or the other, it still would not be of any value at all unless you completed all three?

**Mr. Wigle:** That is about right.

**Mr. B. Newman:** Then that is the only thing that you have contemplated for the immediate future?

**Hon. Mr. MacNaughton:** I expect \$6 million worth of work, yes. That is all I have contemplated for the moment.

**Mr. B. Newman:** Yes. All right, that is all I wanted to know. What is the estimated total cost for the project? It originally started out as about \$60 million.

**Hon. Mr. MacNaughton:** More than that; it will be more than that.

**Mr. B. Newman:** I would imagine so. Are there no figures available at all?

**Hon. Mr. MacNaughton:** This is the estimate.

**Mr. B. Newman:** The whole project—all of E.C. Row not just this overpass.

**Mr. Wigle:** I do not have the figures here.

**Mr. B. Newman:** Could I get the figures some other time, Mr. Minister? Just have them write me a letter and I will be pleased. Thank you very much.

**Hon. Mr. MacNaughton:** Yes.

**Mr. Chairman:** Mr. Haggerty.

**Mr. R. Haggerty (Welland South):** Mr. Chairman, perhaps I should begin by making the usual trip from Fort Erie to perhaps Brantford or in that vicinity this year, along Highway 3. I wanted to ask the minister about the sign located at the entrance, or as you leave the Peace Bridge coming from Buffalo. The sign says, "Welcome to Ontario," and it is about a four by eight sign, I guess. It is located right off the road quite low. I was wondering if you could not perhaps put the arch-type sign up above the travelled portion of the road. You know, you could place the sign over the Queen Elizabeth, put the sign there—"Welcome to Ontario" where the people, motorists, could see it instead of being stuck off in a little corner.

**Hon. Mr. MacNaughton:** I have never had any trouble seeing it.

**Mr. Haggerty:** Well, if you know it is there, you can see it. But how many persons see it, do you know?

**Hon. Mr. MacNaughton:** I do not know. I suppose that can be considered. We are doing what we can do. We are developing signs now—

**Mr. Haggerty:** You know, signs that you have—the ones that carry over the road that are lit up at night-time—you can see these things pretty well. This is the gateway to Canada, and I think you should let the people know that they are in Canada or Ontario. With all the money that you spend on advertising to bring them over here—let us show them that it is Ontario.

**Hon. Mr. MacNaughton:** When they get over to Canada and Ontario, it is such a difference in terms of a good country, they will know it immediately they get here.

**Mr. Haggerty:** They do.

**Hon. Mr. MacNaughton:** There is no question about it. I do, the minute I get back. I say, "Oh, boy, I am glad to be back in this country."

**Mr. Haggerty:** It is pretty small. The other matter I wanted to bring to the attention of the minister and perhaps to his staff here is the property acquisition on Highway 3 and particularly this portion that was completed a year or so from Gorham Road west to Gasline.

There are a number of property owners today who have not had any settlement with The Department of Highways. I have one in mind and this is Joe's Garage at the intersection of Empire Road and Highway 3. You have widened the highway. In fact, you have located a catch basin right in front of his gas pump. The very odd thing about this catch basin is that it is at the height of the road, but his garage at the present time is about two feet, 2½ feet, lower than the reconstructed road.

When you reconstructed the road, you put it in at about three feet higher in that area, and you have left him there with all that water coming from the road there lying right in his garage. In fact, he has had to add about six or eight inches of new concrete to one portion of his garage. It creates a problem in winter time because you can barely get a car off the road to get to the gas pump. In fact, the gas pumps are right on the road boundary, right on road allowances, the additional property you purchased. It is practically right on the road lines.

**Hon. Mr. MacNaughton:** Has he approached the department about that?

**Mr. Haggerty:** Well, he has been trying to get some settlement with the department, and in fact in the wintertime if you were to go



down there when they are ploughing snow, he has to park automobiles that he has for sale out there alongside the road so they do not push all the snow right over into his garage doors. This is how close he is to the highway.

To date he is not satisfied with the steps taken by The Department of Highways with any settlement. I think they offered him something that is nowhere near the damage that you created. He has lost gas sales. He has lost business and so forth, so I bring it to your attention, Mr. Minister, and I think that perhaps you should have somebody there to perhaps try to get some type of settlement with him. The other matter, coming farther west to Gasline.

**Hon. Mr. MacNaughton:** Was the property expropriated?

**Mr. Haggerty:** I believe it was, but he has never made any settlement, there are other damages done there too, you see. When you come off the Empire Road, this is the one that leads out to the Sherkston beaches, which is a cutoff with a "Yield" sign and it comes almost right in front of his garage—

**Mr. McNab:** Well, is it a buy-out or—

**Mr. Haggerty:** Well, he is not satisfied with the proposed settlement and he has been losing business every year by it. People will not come in and purchase gas in the winter-time because they cannot even come up the grade. It costs him a fortune just to keep the snow off the road that the trucks plough and put back over on his property.

**Hon. Mr. MacNaughton:** Well, we had better review this in the department.

**Mr. Haggerty:** The other matter I am bringing to your attention, Mr. Minister, is another problem up west—further west of that problem—up near Gasline. It is the Ruston's Garage.

**Hon. Mr. MacNaughton:** Ruston's?

**Mr. Haggerty:** No relation to the member for Essex-Kent.

**Hon. Mr. MacNaughton:** The fellow has spread out, has he not?

**An hon. member:** A conflict of interest there.

**Mr. Haggerty:** The same thing applies at this location, where they have raised the road perhaps two feet, put in the shoulders and

the gutters along the road; you never allowed anything there to drain the water from his property. At least you could have put a manhole drain out there. There is an island out in front of his drive entrance; you could have put a manhole there to drain the water from his property.

**Hon. Mr. MacNaughton:** Have you ever taken these things up with the district yourself? Or with us?

**Mr. Haggerty:** I have taken them up with the district engineer and I was supposed to get further replies on it. I have not got them yet. I know that some men have been in there from the department and are looking this site over. The garage owner has put in extra concrete to bring it up above the water table that lays there after a storm or rain and the water just cannot get away.

**Hon. Mr. MacNaughton:** Would it be satisfactory if we pursue this further then and get back to you?

**Mr. Haggerty:** I am hoping that you could, Mr. Minister, and it has been quite a problem in the area there. Not only there, but even some of the homeowners in the area feel that. You have done a beautiful job of the road as far as that goes. It is well drained, but it just seems to end up in somebody else's property.

**Hon. Mr. MacNaughton:** We will have a look.

**Mr. Haggerty:** The other matter is, I want to thank the department for installing the lights at the Empire Road, the Sherkston Road interchange of Highway 3, and particularly the one at Gasline. There have been a number of cars that have missed that curb there at Gasline. I think your staff is familiar with the Gasline area where you come from Port Colborne on the regional road 3 I guess it is, on to Highway 3. There is a ridge at Gasline and if you are travelling east to west on the highway, and travelling on a suburban road, and where you have the cutoff there—if I can draw a map something like this—this is the county road here and then it ties in here and the other one goes back this way on to number 3.

If you are travelling from here you see the oncoming lights from this direction and you almost take off the road in that section there. You think that the cars are travelling straight through. At night time it creates a false impression as to where the road is, and I thought

perhaps if you put some type of a landscape barrier or trees or something so that you cannot see the lights coming this way or that way, that the people would follow that curve. You have installed the lights there, with lights at the intersection; up to now that guides them around there but the road misleads the motorist.

**Mr. McNab:** That is at Gasline?

**Mr. Haggerty:** Gasline, that is right. I was just wondering also, Mr. Minister, when you install these lights—and I think they are warranted on these particular intersections or interchanges there—why you cannot install lights at each concession road. You are on a four-lane highway which is about what—45 or 50 feet of pavement in there, would there be?

**Mr. H. W. Adcock** (Assistant Deputy Minister, Engineering): No, 44 feet.

**Mr. Haggerty:** Forty-four feet, and the markings to locate these different sideroads or concession roads are very hard to find at night time. I was just wondering if perhaps you install a light there, directing the motorist where to turn off? As many times as I use that highway I still cannot find my way home at night time.

**Hon. Mr. MacNaughton:** Aha! I see, I see!

**Mr. Haggerty:** But I am a teetotaler, let me put it that way.

**Hon. Mr. MacNaughton:** I will take a charitable view of you, with your permission.

**Mr. Haggerty:** I am sure you will. But I bring this to your attention, because it is creating a problem with the motorist who cannot find just where to turn off. You know, you have a marked line there but how do you find it in the wintertime? You know what I mean, the white line has gone, it has disappeared. There is no possible way to find it. When you travel the Queen Elizabeth and the Gardiner Expressway, you have lights from here to Hamilton, pretty near.

**Hon. Mr. MacNaughton:** Is this controlled access?

**Mr. Haggerty:** No, it is not, you see, and this is another problem. Coming out on these concession roads you have to cross the four-lane road and you have got to go like a bat out of—what do you call it?—to get across there, and it is pretty hard to find these concession roads at night time. I wish you would give consideration to it.

**Hon. Mr. MacNaughton:** Okay!

**Mr. Haggerty:** The other matter is the west side of the city of Port Colborne, where they are proposing the reconstruction of Highway 3 up to Dunnville. Now Wainfleet council met with your department, I believe, last October, 1970. They propose a new relocation or a new route for the highway. Perhaps it would tie in more in line with the proposed tunnel at Port Colborne, and it would bypass one of the major quarries in the area there and would have less effect on any of the property owners. I just want to know what stage the department has on that planning stage—

**Hon. Mr. MacNaughton:** Mr. Bidell.

**Mr. Bidell:** As you know, the original intention was to widen Highway 3 as it exists west of Port Colborne, but in view of the many property problems that were encountered, we did undertake to study another location south of Highway 3, going south of this quarry that you mention, and the study is almost completed at the present time.

**Mr. Haggerty:** That is as far as you want to comment?

**Mr. Bidell:** Yes, we have not finally decided to make final recommendation to the municipality as to what line we are favouring.

**Mr. Haggerty:** Yes, the condition of the present road there, Highway 3, is in rather poor condition. You have done the ad hoc patchwork on it, you know what I mean. It is pretty hard in one particular case there where you travel along just around that quarry going into the city of Port Colborne, you can hardly keep a car on the road, it is that bad and it is that rough. And I was just wondering if you could not perhaps speed this thing up. When is the completion date of this road, the reconstruction of Highway No. 3 west?

**Mr. Bidell:** The completion date of this road will have to be fitted in with the rest of Highway 3 insofar as the availability of funds is concerned. Once the study has been completed as to where the road should be located then we can predict much more accurately as to when this particular piece of Highway 3 could be undertaken. I can undertake to inform you this week as to the exact details of the status of this study. I know it is almost complete at the present time.

**Mr. Haggerty:** It is? Fine. The other matter is the Shantz drain. Does that ring a bell with anybody in the department? This is in concession 4 and 5 of the township of Wainfleet—west of Wainfleet village, Winger I guess it would be, more precisely. It is in the municipality township of Wainfleet.

**Hon. Mr. MacNaughton:** Shantz drain?

**Mr. Haggerty:** Shantz drain, this is right. The municipality requested the department to reconstruct a larger culvert under Highway 3 and they seem to be having a problem getting through to the staff here and perhaps to the minister here on who should pay for it.

**Hon. Mr. MacNaughton:** There should not be any trouble at all.

**Mr. Haggerty:** I am glad to hear the minister say that.

**Hon. Mr. MacNaughton:** But I do not determine the payments on every drain in the province, I can assure you. My staff is quite capable of working on that.

**Mr. Haggerty:** I am sure they are.

**Hon. Mr. MacNaughton:** I cannot see why there should be any barriers in the way of reaching that determination.

**Mr. McNab:** It is a matter I think Mr. Adcock can talk on, but generally speaking it is a matter of an assessment as to the benefit to both parties as to what would be the sharability.

**Mr. Adcock:** I am not familiar with this particular drain, but what the deputy says is true. If this is a drain, which I presume it is, under one of the drainage Acts, then a drainage engineer would make an assessment to abutting lands, to the municipalities and to the department, and we would pay whatever share we were told to by the drainage engineer. But we will certainly look into this. I am not familiar with this particular one.

**Mr. Haggerty:** Yes, I wish you would look into it.

The other matter, Mr. Minister, is in the reconstruction of the railroads in the township of Wainfleet and the city of Port Colborne there has been quite a problem in the closing of a number of roads crossing these railroads. They are actually new railroad yards or sidings with perhaps three, four or five railroad tracks in a row, and The Ministry of Transport, I guess it is, and the rail-

roads have decided on closing a number of these roads. Much of this will be an inconvenience to the people who have to use these—

**Hon. Mr. MacNaughton:** Are these municipal roads that are being closed?

**Mr. Haggerty:** These are municipal roads.

**Hon. Mr. MacNaughton:** They cannot do that on their own with a municipal road. They cannot close them.

**Mr. Haggerty:** They have been advertised as closing them.

**Hon. Mr. MacNaughton:** Then there has been the authority of the municipality and the authority of the Municipal Board presumably.

**Mr. Haggerty:** Yes, this is right.

**Hon. Mr. MacNaughton:** These closings are under The Municipal Act.

**Mr. Haggerty:** Yes, that is right.

**Hon. Mr. MacNaughton:** Well, neither the railroad nor the department can close them. It has to be done under The Municipal Act.

**Mr. Haggerty:** But this has been applied by the railroad—and the St. Lawrence Seaway Authority.

**Hon. Mr. MacNaughton:** Then they have applied and presumably permission has been granted that has to be concurred in by the Municipal Board. And you have to have an alternative before you can do it.

**Mr. Haggerty:** Well the alternatives are very few, I will tell you that right now.

**Hon. Mr. MacNaughton:** But you are discussing it in the wrong place, if I may so. We have no jurisdiction on roads there. If we want to close roads, we have to go through the same procedure.

**Mr. Haggerty:** But where do you get some of the direction? The point I am trying to bring to the minister is the number of persons killed at railroad crossings in the Province of Ontario; I believe there were some 10 or 11 last year, and in some cases there were other accidents too. In particular in my area there have been a number of them. The point I want to bring to the minister is that perhaps he would apply some pressure from his department to say to the railroads and the St. Lawrence Seaway Authority that where they are closing these roads off or relocating



the roads and putting in the flashing lights or warning signals, with the amount of traffic that is going to be used on these railroads and roads there should be an overpass over these railroads.

**Mr. B. Newman:** Or an underpass.

**Mr. Haggerty:** No, it would not be an underpass.

**Hon. Mr. MacNaughton:** Well, I think if there is an overpass or a grade separation required, then the county has to go through the same procedure as we do, and that is to make application to the grade separation fund. If they are more successful than we are—they would have to be much more successful than we are getting not only permission, but getting funds out of the grade separation fund.

**Mr. B. Newman:** Your department provides funds to that too, does it not?

**Hon. Mr. MacNaughton:** Oh, sure we do, and the municipalities provide some. There is a fair portion of costs—I forget the percentage—up to a maximum of \$500,000 from the federal grade separation fund. Our requests for approvals are being turned down right and left. They say the fund is exhausted and they will not put any more in it until another fiscal year comes along. We have been after them to raise these contributions because it does not come close to meeting the costs any more.

**Mr. Haggerty:** You could spend about \$1 million.

**Hon. Mr. MacNaughton:** The fund is many years old and it has never been updated.

**Mr. Haggerty:** You could spend \$1 million on some of these grade separations.

**Hon. Mr. MacNaughton:** You could spend substantially more than that on some of them.

**Mr. B. Newman:** Even a municipal road.

**Hon. Mr. MacNaughton:** The same maximum level applies that applied 10 or 15 years ago—at least 15 years ago. If we do get approval, we are limited to that maximum on the one hand, but we do not even get approval for that anymore.

**Mr. Haggerty:** Well, the feeling of the city of Port Colborne and members of council is that they are closing a number of these concession roads up, and it is of benefit to the railroad that they do not have these many

crossings. All that they are asking is that where the major roads are going over the railroad tracks, they want overpasses or grade separations.

**Hon. Mr. MacNaughton:** Then they will have to apply just the same as we do.

**Mr. Haggerty:** But this is the problem; they are not too successful.

**Hon. Mr. MacNaughton:** But neither are we.

**Mr. Haggerty:** But you should have more power or authority on the matter.

**Hon. Mr. MacNaughton:** I would like to think so, but it is not working any better for us than it is for the municipalities. I think I should bring you a file of letters—I have written the federal Minister of Transport many times.

**Mr. B. Newman:** You are consulted, though, are you not, if a municipality intends to cut off a crossing over a railroad track?

**Hon. Mr. MacNaughton:** We probably would, but the procedure for road closing is as I have mentioned.

**Mr. Haggerty:** It is under The Municipal Act?

**Hon. Mr. MacNaughton:** It is under The Municipal Act. And we subsidize the municipalities' share, but they have to get permission through the channels, as I have stated.

**Mr. Haggerty:** And you feel your department would provide very little assistance perhaps to the municipality in asking for an overpass or grade separation.

**Hon. Mr. MacNaughton:** We would be glad to do it, but that does not mean we would be any more successful on their behalf than we are on our own behalf. They are just not giving us these approvals.

**Mr. B. Newman:** On the reconstruction of one, how much of the responsibility rests with you people? The Peabody Bridge in the city of Windsor is going to be reconstructed eventually; that is a \$2-million project—

**Mr. Wigle:** The reconstruction of an existing grade separation is eligible for a 50 per cent grant, I think, up to a maximum of \$300,000.

**Mr. B. Newman:** Five hundred thousand dollars.

**Mr. Wigle:** No, it is less than that—\$300,000 from the railway grade crossing fund—for reconstruction of an existing grade separation.

**Hon. Mr. MacNaughton:** Railways do not pay very much; they pay very little. They pay directly a small percentage of the total.

**Mr. B. Newman:** The major portion rests on the municipality, does it not?

**Hon. Mr. MacNaughton:** It depends on the cost.

**Mr. B. Newman:** For example, on a \$2 million expenditure for the Peabody bridge, only \$300,000 is mentioned as coming in from the department. That leaves \$1.7 million; I know the federal fund will contribute up to \$500,000, but even then if the municipality is required to put up \$1.2 million or so—

**Hon. Mr. MacNaughton:** We subsidize 50 per cent after the other contributions are excluded.

**Mr. B. Newman:** Oh, I see. Does the department make any studies as to whether it is advisable to even reconstruct the road or is that left to the municipality?

**Hon. Mr. MacNaughton:** No, to be eligible for subsidy there would have to be some consultation.

**Mr. B. Newman:** They would consult with you then, would they not?

**Hon. Mr. MacNaughton:** They would start with the district municipal engineer.

**Mr. B. Newman:** I see. Because the thought of reconstructing the Peabody Bridge at a \$2 million expenditure—maybe it is not needed, if the railroad could be convinced not to come that far into the city and use the existing facilities on the west side of the city and the tunnel to take all of its freight traffic to Detroit. We would have all of the riverfront as a real beautiful park area. And if there are ways we could save money for the department and the municipality, I think we should go all out to save both bodies money.

**Hon. Mr. MacNaughton:** Well, I agree with you, but in these circumstances you will usually find that the railroads have determined that this is a more desirable location from their point of view.

**Mr. Haggerty:** Mr. Chairman, I bring this—

**Hon. Mr. MacNaughton:** This is another instance of where the upper limits of the grade separation fund contribution should be escalated very substantially.

**Mr. B. Newman:** They were all right maybe 10 or 20 years ago, but not today. They are not realistic today at all, are they?

**Hon. Mr. MacNaughton:** For the cost in dollars, they do not figure up at all.

**Mr. B. Newman:** No.

**Hon. Mr. MacNaughton:** When we can get approval at all, that is the maximum, but they are turning down approvals now.

**Mr. B. Newman:** So that even with—

**Hon. Mr. MacNaughton:** They are turning them down altogether.

**Mr. B. Newman:** The fact that money is very limited means they are even turning down the projects?

**Hon. Mr. MacNaughton:** That is right, they are turning down their contributions. If it is an absolute necessity, they have to go it alone.

**Mr. B. Newman:** Yes, well, they turn down the project when they turn off the tap with the money.

**Hon. Mr. MacNaughton:** That is right.

**Mr. B. Newman:** So that the chance of the city of Windsor ever getting the Peabody bridge completed, or even undertaken, is kind of remote?

**Hon. Mr. MacNaughton:** If recent performance means anything, that could be the case.

**Mr. Haggerty:** Mr. Chairman, the minister is probably familiar with the road needs study report of the different counties throughout Ontario and this one deals in particular with the county of Welland. I think this was the second report within about three years that was completed in the area. This was in 1969.

What they say about the railway crossing is:

An investigation of existing and proposed railroad crossings was done for a 20-year period. It indicated that 40 crossings warrant no further improvements; 23 crossings warrant installation of automatic signals; three crossings warrant grade

separation, during the study period of 1969 to 1979. Side crossing will warrant grade separations beyond the study period.

And this is perhaps the area I have touched on tonight.

I presume that the other needs study reports that you have here dealing with the different counties in Ontario have the same suggestions—that there is more need for grade separations. I think the department should be applying more pressure to the federal authorities or The Department of Transport.

**Hon. Mr. MacNaughton:** I will show you the file some day and if you can see how we can apply any more pressure or persuasion than we do, that would result in some success, I would be delighted.

**Mr. Haggerty:** But in this particular area where they are reconstructing the railroads or relocating them, I think this is where you should be successful in applying some pressure.

**Hon. Mr. MacNaughton:** I would like to believe that is true, but it does not work that way.

**Mr. Haggerty:** You have to try, though.

**Hon. Mr. MacNaughton:** We do try. How many times do I have to tell you we try like hell but we do not get anywhere? I have said it about 10 times.

**Mr. Haggerty:** Perhaps while Mr. Bidell is here tonight he could give me a little more information of the proposed tunnel site in the city of Port Colborne. Just at what stage are we? When will the plans be completed and when do you think they will be ready to commence work on it?

**Mr. Bidell:** As far as the plans are concerned, there is a committee set up with the regional municipality officials to finalize this very point. As you know, when the original transportation study was done for Port Colborne there was a general location for the tunnel indicated. The committee work is now going on to more precisely determine the location of this tunnel and the exact orientation of the tunnel under the canal. This determination has not been finalized as yet, but as I say the committee is now working on this.

We know fairly closely where this tunnel is going to be. As far as implementation is concerned, that is another thing. It is a matter that will have to be worked out with

the federal government. As you probably know, we are involved in an agreement with the federal government with respect to the construction of these tunnels under the canal from the south end of Port Colborne up to the other end of St. Catharines.

**Mr. Haggerty:** You have that agreement already? The agreement has already been settled between the two parties involved?

**Mr. Bidell:** We have agreement as to the general principles of cost sharing, yes.

**Mr. Haggerty:** There should not be any problem there then, should there?

**Mr. Bidell:** There is the general agreement, but when construction is undertaken for any particular tunnel, there is another detailed agreement proposed for that particular site.

**Mr. Haggerty:** Then it just boils down to as soon as you get the study completed, then they should be able to proceed with it?

**Mr. Bidell:** I did not say that.

**Mr. Haggerty:** You are not much help. What about you, Mr. Minister, have you any comments on it?

**Hon. Mr. MacNaughton:** I would have to support what he says. It is not quite as simple as that. It is a matter of negotiating these things in the general sense. The cost-sharing formula has worked well with the Seaway authority officials, but in each specific instance I suppose they have to depend on someone else for their funds and so do we. Once they have agreed to go, the sharing formula applies. There is no question about it.

**Mr. Haggerty:** But you have had four years already to bring this into the final stages.

**Hon. Mr. MacNaughton:** Yes, but we have also been building some other tunnels.

**Mr. Haggerty:** I know this, but those have already been on the drawing board; you are almost ready to complete them. East Main will be completed within a year or so, will it not? It would have to be.

**Hon. Mr. MacNaughton:** I suppose there is some truth in that, but to be categorical about saying that at a precise moment in time the Seaway will have funds to share with us to build it, that is not possible. They have a treasury board that allocates their



total funds every year, just the same as we do.

**Mr. Haggerty:** When I go to them they tell me it is The Department of Highways that is holding things up. Now you tell me it is the St. Lawrence Seaway, or The Department of Transport.

**Hon. Mr. MacNaughton:** No, I am not blaming anybody. We could be in the same position. We might have an allocation of funds for our share of the Seaway programme. If the funds are not there and we cannot go back for a Treasury Board order for more, then we may have to take some time. Conversely, the authority may have to do the same thing.

**Mr. Haggerty:** I can see I am not going to get too far with it.

**Hon. Mr. MacNaughton:** I wish I could take you further, but I cannot.

**Mr. Haggerty:** No, but I raise that question year after year and you seem to be no further ahead in any of your planning stages. You have very little to offer.

**Hon. Mr. MacNaughton:** We have planning stages in the engineering and design sense and we also have to have a planning schedule for money purposes and so do they.

**Mr. Haggerty:** This is right. I understand they had the money for the tunnel there. They are just waiting—

**Hon. Mr. MacNaughton:** I am not sure what they will have when the time comes, that is why you cannot give a categorical answer. We can always see how they are fixed financially and relate it to our own position. Who would advise you that we are holding it up? From the authority or from whatever source?

**Mr. Haggerty:** Just call St. Catharines. Anyone can tell you this.

**Hon. Mr. MacNaughton:** The Seaway authority people?

**Mr. Haggerty:** Sure. They say, "We are ready to move on it."

**Hon. Mr. MacNaughton:** Then we will check that out, because that is not an accurate statement. There is something wrong with that.

**Mr. Haggerty:** I can remember about four or five years sitting on the county roads com-

mittee and this matter was supposed to be in the stages then of settling the agreement and getting on with the construction of it. As soon as the East Main was pretty well completed, they were supposed to move into the city of Port Colborne. That was their plan.

**Hon. Mr. MacNaughton:** There is something wrong with that kind of a statement because it has been one of the most harmonious partnerships we have ever had.

**Mr. Haggerty:** I did not say it was not harmonious.

**Mr. Chairman:** Mr. Burr.

**Mr. Burr:** I should like to find out one or two facts about the acquisition of land for the E. C. Row Expressway.

The original estimates gave 405 parcels for \$9.5 million. The Municipal Board, until about the end of 1970, had approved applications for slightly more than \$9 million. I wonder what proportion of the 405 parcels that \$9 million that the OMB has approved would cover?

**Hon. Mr. MacNaughton:** The acquisition programme has been done actually by the municipality, so they would have the information.

**Mr. Burr:** You have not this information?

**Hon. Mr. MacNaughton:** Not in specific terms. We could obtain it but we would not have it here.

**Mr. Burr:** You would not have it here, no. Well, my questions were along those lines and I will let the proceedings get forward.

I might say simply that I wish that the minister had remained the Minister of Highways, because back in 1963 we had the Windsor Area Transportation Study, which presented a plan for an arterial highway, four lanes wide, with one overpass over the Penn railroad. This was going to cost \$4.5 million, and the minister announced in about 1965 that this would start in two years time.

I wish he had stayed there and finished this project. We would have our four-lane highway, we would have our overpass, and we would be out only about \$1 million for the whole expense. My regrets, Mr. Minister.

**Hon. Mr. MacNaughton:** That is very kind, but I have some reason to doubt whether it might have happened in those circumstances either. There are things that prevent it from proceeding sometimes.

**Mr. Burr:** Apparently there are, because it did not go through. I shall skip my other questions and try to get the information privately.

**Mr. Chairman:** Mr. Yakabuski?

**Mr. P. J. Yakabuski** (Renfrew South): Mr. Chairman, I have a number of things I wanted to pursue. The first item was sort of supplementary to what my colleague, the member for Ottawa West, was talking about this afternoon and that is Highway 417, east of Ottawa.

I notice there is some 44 miles under construction and I, too, was interested in the connecting links or entrances to Ottawa. Was it not the plan of the department to connect with the Queensway through Ottawa?

**Hon. Mr. MacNaughton:** To connect with the Queensway, yes.

**Mr. Yakabuski:** Yes, well then I am wondering what my colleague was talking about this afternoon then when he was concerned about entering Ottawa?

**Hon. Mr. MacNaughton:** The concern in Ottawa has been where the connection will take place and the route through the city as well. We cannot say we are in total agreement at this point in time. But as I explained to Mr. Morrow we have requested a meeting with the federal-provincial-regional committee, the co-ordinating committee down there, and the minister to see how far we can move. But we have not been able to get total agreement on where the connection will be made.

The reference that was made to Mr. Morrow is the Alta Vista section. We have not got total agreement on that from some elements of the committee. I guess in frank, honest, factual terms we would have to say that the National Capital Commission is entertaining some different ideas. Some of the people are too. That was the original proposal at least. We have to get it resolved pretty soon, Mr. Yakabuski, and that is the purpose of a trip we hope to make in the next few weeks.

**Mr. Yakabuski:** Yes, I can see feverish activity going on in that part of the Ottawa division district. As I said earlier you have 44 miles under construction.

**Hon. Mr. MacNaughton:** There may be more than that under construction by now. By the end of the year there will be some other mileage added.

**Mr. Yakabuski:** There has been a tremendous lot of pressure for building of this four-lane highway to connect up with the four-lane from the Quebec border into Montreal and then again Highway 416, the four-lane to Cornwall from 417.

**Hon. Mr. MacNaughton:** I think when we award these other contracts they will be awarded during this construction year then there will be only about 11 miles of unawarded contract left.

**Mr. Yakabuski:** This 417 from Ottawa to the Quebec border; that is Trans-Canada. Is there any cost sharing on that with the federal government?

**Hon. Mr. MacNaughton:** No.

**Mr. Yakabuski:** When did the cost-sharing agreement terminate?

**Hon. Mr. MacNaughton:** Well it terminated fairly recently, but they would not accept that even at the start.

**Mr. Yakabuski:** There was cost sharing from the Quebec border in and through Montreal—would you know about that?

**Hon. Mr. MacNaughton:** No, well we have certain thoughts on the matter.

**Mr. Yakabuski:** But there has been no cost sharing on the Ottawa section.

**Hon. Mr. MacNaughton:** No, Highway 17 was originally the Trans-Canada and way back in the 50s they said because they shared on it they would not share on the alternate route that we are building.

**Mr. Yakabuski:** I realize that the section from Montreal to the Quebec border was built in 1966 and completed early in 1967 on time for Expo. Of course our Ontario residents saw the new highway from the Quebec border into Montreal and naturally a lot of pressure was brought to bear for a highway similar to the one from Montreal to the Quebec border.

**Hon. Mr. MacNaughton:** That was subsidized.

**Mr. Yakabuski:** Yes.

**Hon. Mr. MacNaughton:** But the agreement is completely terminated now. There are no more Trans-Canada subsidies for Ontario at least. I do not know about the rest of the provinces. They have another agreement in Quebec.

**Mr. Yakabuski:** Of course I am in complete agreement with my colleague. I would like to see this highway completed as soon as possible, and I know in doing so the burden to the taxpayers of this province will be much greater than it was to the people in Quebec when the other road was built.

I am wondering if Montreal and its Man and His World and the Expos will be making any contribution to this road?

**Hon. Mr. MacNaughton:** I doubt it.

**Mr. Yakabuski:** They are going to benefit greatly, you know that. And then I look at the Ottawa district here, and especially that section of the district south and east of Ottawa. And I look at the west end of the Ottawa district and parts of the Bancroft district—which serve the great riding of Renfrew South—and when I see all the activity going on in the south and east of Ottawa, and I hear the member for Windsor-Walker-ville and these other members talking about four and five million dollar contracts, then I realize why there is no money left for the good old riding of Renfrew South.

**Hon. Mr. MacNaughton:** Oh well, it has not been that bad.

Interjections by hon. members.

**Mr. Yakabuski:** Now just a moment, we have the programme in front of us you know and it is pretty lean let me tell you.

**Mr. J. P. Spence (Kent):** You got them all paved.

**Mr. Yakabuski:** And there are many, many bottlenecks that we have waited on not for two and three years, like some people, but for a great long while to have tied up.

**Mr. M. Gaunt (Huron-Bruce):** Is it right they cannot get off the pavement in Renfrew South?

**Mr. Yakabuski:** That is not exactly so.

**Mr. B. Newman:** Finest roads in Ontario!

**Mr. Yakabuski:** Getting back to this section of road east of Ottawa, Highway 417, and again what my colleague, the member for Ottawa West (Mr. Morrow) was talking about. The strip there that is noted for the high rate of fatalities. Some 152 fatalities in a period of 10 years. I am sure that the department have more or less complete records and a catalogue of the accidents that have occurred there.

My next thought maybe should be directed to the Attorney General, but I am wondering—I am reminded that back in the late 50s when there was a rash of accidents between Blind River and Elliot Lake the Attorney General of the day, the Hon. Mr. Kelso Roberts, made a special trip up into the north country at that time to more or less get to the bottom of, or find the causes for this rash of accidents there. I am wondering if the Attorney General and Minister of Justice's department has at any time viewed the situation east of Ottawa.

**Hon. Mr. MacNaughton:** Well, I will let Mr. McNab answer that. We answered it to some extent earlier in the day, I do not know if Mr. Yakabuski was here or not. Our information, I presume, is available to the Attorney General too.

**Mr. McNab:** Yes, on instructions of our minister and the Attorney General, we researched this in conjunction with the Provincial Police just to see what could be done from the standpoint of enforcement and they stepped up enforcement considerably down there, and particularly in the area of surveillance, with the result at the time this was done, it did reduce the number of accidents. I am not trying to justify the situation or anything, but I do not think it is getting any worse. It is not getting any better—I guess it reached its peak around the time of Expo—but as the minister pointed out some of these accidents just defy any reason of why they occur, from the standpoint of engineering. About the only thing that can be done until we get the four-lane highway, and hopefully it will not occur on that, is more rigid enforcement.

**Mr. Yakabuski:** I think when you get the four-lane highway of course the pressure will be off the old 17.

**Mr. McNab:** I hope the accidents reduce then.

**Mr. Yakabuski:** You should not have those long lines of traffic, and I think that will be eliminated with the opening of the 417.

**Mr. McNab:** It seems too, that an awful lot of these accidents, when you go down and look at them—and it makes gory but interesting reading—that a lot of them occur when there is a heavy volume of traffic, just as the minister pointed out. People are running off the road, and this type of thing.



**Hon. Mr. MacNaughton:** They could be driving on the wrong side, for reasons that are difficult to understand. As I felt constrained to say this afternoon, the accidents that we have looked into over the more recent period of time, we find that in most circumstances they were—I used the words this afternoon—the driver was looped.

**Mr. Yakabuski:** To follow that road—

**Hon. Mr. MacNaughton:** So the reports show, anyway.

**Mr. Yakabuski:** To follow that road west of Ottawa, Highway 17, you have presently under construction a stretch from Arnprior west and I am wondering what priorities you have attached to the entire stretch from where the Queensway ends to Haley Station, a few miles west of Renfrew.

**Mr. Wigle:** We have given, and hold that as a high priority object. There are several problems to be overcome though and I think you may be aware of some of them. With respect to Arnprior, we are looking at a bypass but the bypass alignment conflicts with the potential hydro development, so we have to resolve that from a structure location standpoint. I think another major area which has just been resolved is at Renfrew where there was some discussion with respect to the location of the alignment of a new 17. This now has been established and a similar thing applies to Pembroke where there are still studies being done to determine whether there should be a north alignment going through the municipality, or an alignment for a new 17 towards the south, which would bypass it. I think until these problems are resolved, we will have to work on the areas where we have overcome the problems. As you mentioned, we have worked from Arnprior westly and will be continuing work west of there.

I mentioned earlier today too, with respect to the extension of 417 west from Kanata, or the Queensway, that we are proceeding with the property acquisition, or getting involved in the property acquisition and establishment of alignment and on with the design of that. So certainly, the construction and rehabilitation of 17 west from Ottawa is high in our priorities.

**Mr. Yakabuski:** Well, you realize that once you had completed the Queensway in Ottawa you did move at a snail's pace westward. It has been many years since the Queensway through Ottawa has been com-

pleted, and periodically you take the odd infant step in a westward direction.

**Mr. Wigle:** One of the problems is that in some cases studies tend to delay projects. We had proposals made for reconstructing the existing facilities, the existing 17, basically on the same alignment but to a higher standard. And one of the studies that was shown for this corridor indicated that in the future, and not too long in the future, a freeway facility would be required and that it would not be practical or possible to convert the existing facility to a freeway. So this necessitated us starting basically at square one again. This has certainly been a reason for the delay in rehabilitating Highway 17 in this corridor.

**Mr. Yakabuski:** What are your target dates, say, from the Queensway to Haley? Do you feel you will have this tidied up within a reasonable time—what are your target dates for completion?

**Mr. Wigle:** I think as the minister said we do have to work on a one year budget. We are proceeding with the pre-engineering of all the projects and it is split up into about six different grading projects and we are proceeding with all the work and these projects are in various stages of pre-engineering. The actual timing of the construction will depend on the completion of the pre-engineering and then the availability of funds in that particular season.

**Mr. Yakabuski:** Well, are you looking to 1974, 1975?

**Mr. Wigle:** I cannot say that there has been a particular date set. We will certainly get on with it as quickly as we can.

**Mr. Yakabuski:** I was of the opinion that there were target dates for initially the two-lane, and eventually the four-lane.

**Mr. Wigle:** Not that I am aware of. There was a target date set for 417, as we mentioned before, though.

**Mr. Yakabuski:** Back to 417. What of the traffic between Ottawa and Montreal on existing arteries, what percentage of the traffic would be Quebec residents?

**Mr. Wigle:** The comments here are that it is very high, but a couple of years ago when I was down with the then minister, Mr. Gomme, we counted vehicles passing us in the opposite direction and we counted

three slugs of cars, and eight of 10 of those in each case were Quebec licence plates.

**Mr. Yakabuski:** Then it might be true to say that western Quebec residents are in the habit of using Ontario roads to a great extent.

**Mr. Wigle:** There were certainly a number of them using Highway 17 on that day.

**Mr. Yakabuski:** What was that, sir?

**Mr. Wigle:** There were certainly a number of vehicles with Quebec licence plates using that portion of Highway 17 on that date.

**Mr. Yakabuski:** I wanted to get into the area of programming. This is an area that I have never been able to understand to any degree and I wanted you to outline what the various stages are, what your criteria are, and so on, insofar as programming for reconstruction or construction of a highway.

**Mr. Wigle:** There are two main sources where we obtain data for programming new facilities. These are the inventory of existing highways system, including structures and railway crossings, and the inventory would include data with respect to the pavement condition, the alignment, the traffic, the accident rate, the condition of the shoulders, cost of maintenance, the structural condition of the structures and their sufficiency with respect to side clearances, and load limits, and things of this nature.

The other main area is the transportation studies that have been done to date. I think there are about 19, and about eight or 10 of them have been published. These indicate what the highway system should be 20 years from today's date, so they give a general indication then of the facilities, the location of the facilities which should be built and the timing by which they would be required.

So then it is from these two main sources that we obtain data for programming highway construction projects.

**Mr. Yakabuski:** Do you not think that periodically you should review your priorities, the maintenance costs, transportation study and then put together a plan, insofar as that highway is concerned? I am assuming this. It would appear to me that you then stick rigidly by that plan and you do not periodically review it or update it.

**Mr. Wigle:** The plan is continually being reviewed and updated, generally influenced

by emergent needs; restrictions on funds; outside influences such, as say, the St. Lawrence Seaway, the requirements to do road work in association with their work; contributions, say, from the railway grade-crossing fund, or from the federal government, where they had been contributing with respect to the Trans-Canada Highway system. So there are many outside influences on the programme, rather than just our own requirements.

**Mr. Yakabuski:** I am looking at various highways throughout both the Ottawa and Bancroft districts. I see where, in some cases, you can quickly put together a plan and call contracts and have construction or reconstruction completed. Whereas we are looking at other roads that have been existing highways, King's Highways, for a great number of years, and everything seems to take place in a sort of pattern. Contract after contract, with a year or two-year interval between contracts, bring that road up to a better standard.

I am thinking especially of Highway 60. The department started in Toronto with Highway 11 and updated and four-laned it all the way to Gravenhurst and beyond, and continued with their two-lane reconstruction programme through to Huntsville and on and through Algonquin Park. And then, back in about 1965 and 1966, the programme seemed to slow down and consequently we are still not at Barry's Bay.

We are looking at a road between Madawaska and Whitney—or Barry's Bay and Madawaska, the first four miles of it—that has never seen a highway contract. This highway was built by horse, scraper, pick, shovel and the people during the years of 1933 and 1934, and it is in god-awful shape.

**Mr. Gaunt:** That would be in Hepburn's time.

**Mr. Yakabuski:** Just a minute. Why this stretch of highway has never received any priority from your programming branch or from the department in general, I just never have been able to get through my head.

We are supposedly going to have a contract called some time this year—we hope that—for part of it, the section I have in mind. But what hurts is that in the meantime highways which I do not feel have the same priority are getting attention.

Highway 60 is the eastern entrance to Algonquin Park and that section from Barry's Bay to Whitney just has had to wait and



wait and wait. That section from Barry's Bay west was built—well, it is going to be 40 years old in two more years. That is 38 years.

I would not mind if it were a highway of a standard that was acceptable, but the time is long gone when that stretch of highway was acceptable in anyone's imagination. The thing that hurts is that you have seen fit to attach priority to roads that, in my mind, certainly did not have the same priority, when you put all the pieces of the picture together.

I am thinking of one in particular. You assumed Highway 500 a number of years ago from Bancroft to Denbigh, and rightfully so. I was very pleased to see this highway assumed. At the time I think you called it a secondary highway, and you have made improvements to it, by day labour and otherwise, since that time.

But you have rebuilt a section of four or five miles east of Bancroft. I know it was not the best road in the world; it needed considerable maintenance, but in my book it certainly did not have the same priority as the highway from Barry's Bay to Algonquin Park, for any reason that you can fish out of thin air, or otherwise.

This is why I wanted to get into this area of programming and priorities, because I do not think you are reviewing them often enough.

Can you tell me why Highway 500 from Bancroft east would have priority over a road that is serving one of the finest parks in our province? It gets an increasing amount of traffic. I know the traffic could be down in certain months of the year. Now, mind you, you have to consider, too, that a mile west of Barry's Bay you have one of the steepest grades in the entire district. That grade has been there and has not been improved all that time.

The question I am asking is why would that section from Bancroft east have priority over that section from Barry's Bay west? You just assumed the highway from Bancroft east about four years before. You could put together a construction programme and have a nice new piece of highway there that quickly.

**Mr. Wigle:** A couple of the reasons, I think, for the reconstruction of 500 east of Bancroft were the alignment, and the grades, and the curvature, and the pavement widths, and the maintenance cost, which all, in my

mind, were in poorer condition or necessitated improvement prior to the section from Barry's Bay westerly. You may appreciate that I had spent some time in Bancroft.

Again, as far as I am concerned, from a programming standpoint that you speak of, the section of Highway 60 between Barry's Bay and Whitney, at the time we proceeded with much of the work on Highway 60 from Whitney into the park under three contracts, and from Combermere south through Purdy and down to Maple Leaf, and at the time those programmes were set up, the portion from Barry's Bay westerly was the better. It was not good, but it was the best of a number of roads that were in the area.

So again, as far as I am concerned from the programming standpoint, the roads which were most deficient were done first.

**Mr. Yakabuski:** I might be difficult to satisfy, but it is going to be very difficult to convince me on that one. I am pleased that a contract is scheduled to be called this year. Is it your intention to proceed with the second contract with all possible speed, to have this road brought up to an acceptable standard?

**Mr. Wigle:** You will appreciate that the one section from Whitney easterly has been constructed and we have in the programme this year another section from Barry's Bay westerly, which leaves one section in the middle; I think it is from Madawaska easterly. It is in our proposal to proceed with that construction as soon as we can.

**Mr. Yakabuski:** An item I wanted to talk about was faulty construction. I am thinking particularly of a section of Highway 28 through the county of Haliburton mostly.

This contractor began construction probably in November, 1968. It was done by a firm that, in my book, is probably one of the most efficient contractors in the province. He worked through the winter on rock work and on grading at times, too. Consequently, he completed about nine miles of highway between late November, 1968, and the paving and guard rails were in by June 5, 1969.

That is a remarkable record, but I have always felt that a new section of highway needs a winter under its belt to more or less settle down and work out some of the bugs. Consequently, immediately after the paving was done, within weeks—because I drive this highway twice a week—about five or six very bad flaws showed up. They are still there.



You people have done some work on them, but the flaws are still there. There are very good stretches in between those flaws.

I am wondering who is responsible? These flaws are going to have to be rectified. I believe these chunks are going to have to be taken out and rebuilt and, again, re-surfaced. I am wondering who is responsible for the repair of these deficiencies?

**Mr. Adcock:** Which section of Highway 28 is this, Mr. Yakabuski?

**Mr. Yakabuski:** Going through the county of Haliburton it begins just south of Paudash and goes to—

**Mr. Adcock:** Apsley.

**Mr. Yakabuski:** Apsley. It joins a contract that was completed last year into the outskirts of Apsley.

**Mr. Adcock:** I know the section. If the road has been accepted—I am not familiar with these particular breakups that you are talking about—but if it has been accepted by us, which I imagine it has been, it would be our responsibility to fix it under maintenance. These breakups that you refer to probably are caused by frost action. The company which did it, you suggest, is a good company.

We have high regard for their quality of work. In an area such as you are representing though, as you well know, we have a lot of problem with muskeg pockets and rock grade point problems and so on and so forth.

**Mr. Yakabuski:** This does not happen to be my area but, you know, it is—

**Mr. Adcock:** The terrain is all the same up in that area, and we do sometimes have these problems show up if we are in a hurry to surface. You were right; we love to leave a road like this over a winter and see some of these poorer spots show up, but if the contract is called with the pavement in it and the contractor, as in this case, is pretty speedy, the pavement gets put on. Unfortunately, there is no way of letting those sore spots, if you like, show up. It is one of the penalties we have to pay to get a quick pavement.

**Mr. Yakabuski:** Is there such a thing—I know you have a time limit on all contracts; is there such a thing as a minimum time?

**Mr. Adcock:** No, they are all maximum times.

**Mr. Yakabuski:** It would appear in this case the contractor was away toward the minimum end.

**Mr. Adcock:** Yes, that job was done in very short time compared with the time the contract allowed. I do not recall how many days right now, but I know it was very much shorter than that which we allowed in the contract. This is not to say, still, that we do not think that this man does not do good work.

**Mr. Yakabuski:** Do you think, too, that you may be allowing too great a time on some contracts?

**Mr. Adcock:** The setting of times on contracts is always a difficult situation in that we do not know who the contractor is going to be and we like to have as great a number of bidders as possible. Therefore, we have to set the number of days for a fairly broad range of contractors.

We would not want to set the minimum amount of time on every contract because this would cut out a certain number of contracts. So in some instances probably we are allowing a little more time than necessary but I think, in the overall picture, the times set are not too bad. They are fairly representative of the industry and what its capabilities are.

**Mr. Yakabuski:** What I have noticed, too, is this: A contractor bids successfully and gets on with the job. I should not say he gets on with the job—being the successful bidder, he has X number of days to complete the contract. For one reason or another—another contract, perhaps, or several other contracts—he does not get on the job for several months. Eventually, he does come on and probably works until freeze-up that fall; closes down the project and then he may lose two valuable construction months in the spring.

Consequently, the driving public is put to unnecessary and additional inconveniences during all that time, plus the fact that the local residents are most anxious to see these contracts completed and, again, drive on smooth roads. I know of a case where a year ago this past spring, the contractor closed down for the winter. He did not get in there until about June 20, and lost two good construction months.

Then what happens? He puts the push on and no one can tell me that when the push is put on, when he is going to try to tidy

up to meet his deadline that you are getting the best work. You are not. Then, maybe he has paving included. He puts the push on in July, August and early September; and he gets half ready for paving anyway. Then he is laying down the hot mix in the mud of October and the snow of November—and on two counts you are not getting the best work. He has rushed the last stages under that project and he is laying hot mix paving or whatever it may be in times when, without having any knowledge of highway matters, one would know that this is not a good black top job.

**Mr. Adcock:** I might just mention too, sir, relative to that job at Paudash, that it is not a completed job. It only has a base course pavement on it, and in the not too distant future, we will be putting on a surface course which will be the final pavement on it. This we are doing with quite a number of our jobs for the very reason you speak of, to see the sore spots in the north country where there definitely are problems with some conditions—muskeg, rock grade points and so on. If we can put one base course on to give the travelling public a good, smooth surface, we see these spots develop after a year or two and we can dig them out and then put the final surface course on. Then we have a much better job.

**Mr. Yakabuski:** You have one particular contract or laying hot mix on two separate highway contracts in late October, through October, through the wet and, in some cases, the snow. Could it be that you do not review your prequalifications often enough, maybe? Would it mean that this contractor had more work than his organization and his equipment could do in a reasonable length of time?

**Mr. Adcock:** No, prequalification is designed to not have that particular condition happen. You must also remember that the industry that works for us is under a system of liquidated damages, wherein they pay damages to the department if they are over the length of time which was stipulated in the contract. There is certainly an urgency to finish from a financial point of view or they will actually lose money under the liquidated damages clause of the contract.

Furthermore, as far as the asphalt is concerned, our specification does not allow them to lay certain types of asphalt under certain conditions, below certain temperatures and so on. Base courses are a little easier than

top courses, but generally speaking we do not allow any asphalt laid unless the temperatures are fairly reasonable, about 40 degrees.

**Mr. Yakabuski:** I have a couple of other items yet. One was on Highway 41 near the locality of Khartum. This highway was—

**Mr. J. R. Simonett (Frontenac-Addington):** How would you spell it?

**Mr. Yakabuski:** I will spell it if you want to know. In the vicinity of Khartum you had a reconstruction project, maybe some four or five years ago. Because the highway was raised in the area past this service station and outlet, his well was affected, I am assuming, by runoff, drainage, etc. I have had some correspondence with the department on several occasions on this and I am left with the impression by you people that, the job was done by insured contractors and this is more or less the responsibility of the contractor. Is this so?

**Mr. Adcock:** Yes, every contractor is required to carry insurance. If for some reason—what would this be due to—blasting or something of this nature?

**Mr. Yakabuski:** No, this is the point that I dispute. I do not feel the contractor should be liable in this particular case. I am of the opinion it is because of the design of the reconstructed highway that this well has been affected and he has runoff going into the well. Now, I am of this opinion. Maybe you people have other information.

**Mr. Adcock:** What was this? Runoff of salt in the winter time?

**Mr. Yakabuski:** The well was infected and he has—

**Mr. Adcock:** Calcium chloride during construction?

**Mr. Yakabuski:** —not been able to use the well at many times, I know, since reconstruction.

**Mr. Adcock:** Have you dealt with the district office on this?

**Mr. Yakabuski:** I have had some correspondence with somebody here. I do not have it with me tonight.

**Mr. Adcock:** We certainly are prepared to look into these situations.

**Mr. Yakabuski:** But I would like to see a break in the responsibilities of the contractor and I do not feel it is in this particular case.

**Mr. Adcock:** Maybe it is not a case that the contractor is responsible for and we would certainly be quite prepared to look into this.

**Mr. Yakabuski:** I think it is the design of the highway that has caused this problem.

**Mr. Adcock:** That is not impossible. I do not know the circumstances. If you would give us the details we would look into it.

**Mr. Yakabuski:** I can give you the details.

The other area was development roads. I wanted to say at the outset that I, for one, am very, very proud of the development road programme—that is, the municipal roads programme—in this province. We have acquired through that programme a tremendous network of fairly high standard municipal roads, in many cases, especially with municipalities with a small tax base and who otherwise had little wherewithal to do work such as that.

But I think in this too, perhaps, we are reaching a time when this programme should be reviewed to some extent. Because many of the municipalities, although they were very pleased and happy to receive a development road in their municipality, are having a new look at the whole programme and second thoughts.

The matter of land acquisition, the matter of fencing, and the matter of bank interest charges—these three factors are contributing to an outlook now by some municipalities that they are doubtful whether they would request or accept a development road. They would not have to accept it if they had not requested it, but they might not request a development road because of the high costs in these areas.

I am wondering if the department—

**Hon. Mr. MacNaughton:** I wish you would let me have a list of those townships which would not request one for those reasons. I would like to have a list of those.

**Mr. W. Hodgson (York North):** We will take them up our way!

**Hon. Mr. MacNaughton:** No, but I would like to have a list of those municipalities.

**Mr. Yakabuski:** These municipalities have a low assessment.

**Hon. Mr. MacNaughton:** We understand it. That is part of the formula which determines what assistance they get.

I mean what I say. If you can name the townships that are resisting requesting development roads, for the purposes you described, I would like you to bring them in and talk to me, or give me their names and I will write them.

**Mr. Yakabuski:** Bank interest charges in recent years have been substantial.

**Hon. Mr. MacNaughton:** Yes, but I have asked you a specific question. Would you like to name those townships to which you made reference? I would like it on the record right here and now, if you do not mind. I really would. If you cannot name them I do not think you should make that observation, quite frankly.

**Mr. Yakabuski:** I do not think that is altogether fair either.

**Hon. Mr. MacNaughton:** Yes, I think it is. I think it is very fair.

**Mr. Yakabuski:** I have discussed this matter with municipalities, and it is of great concern to them.

**Hon. Mr. MacNaughton:** Yes, but you have also indicated, and I want to repeat this with some emphasis, that these people are not requesting development roads for certain purposes that you mentioned. I would like the names of those townships.

**Mr. Yakabuski:** I do not think I said that they are not requesting. I said they may not request.

**Hon. Mr. MacNaughton:** Let me have those names anyway. You know who they are obviously, because you have talked to them.

**Mr. Yakabuski:** But they are concerned.

**Hon. Mr. MacNaughton:** Yes, but they are considering not requesting this type of assistance. In your own words they are considering not requesting this type of assistance.

**Mr. Yakabuski:** Yes. I have the name of the municipality that has brought this matter to mind.

**Hon. Mr. MacNaughton:** I wish you would let me know. I would like to have a talk to them.

**Mr. Yakabuski:** I will sometime.



**Hon. Mr. MacNaughton:** Yes, please.

**Mr. Yakabuski:** Still, on development roads, we note that periodically a development road through a municipality will connect two highways. Very often development roads do not do this, but in some cases they do. Of course, the municipality is very pleased to have this development road, and when completed, a considerable amount of traffic which previously followed other arteries is diverted to this development road, making the maintenance cost considerable. The municipalities are not in a position to put black top on them, which is resulting in some of these development roads not being maintained as well as they should be.

I am wondering if, in the case of a development road that connects two highways, where there is quite a diversion of other traffic on to it once completed, whether the department would consider something in the way of special assistance for the maintenance of such a road?

**Hon. Mr. MacNaughton:** In general terms I would say if the formula still exists and they are eligible for direct aid assistance, that is a possibility, but I could not say that in broad general terms. It is a possibility. We would have to review the formula and the application of this type of fund, the same as we do for the development road in the first place.

**Mr. Yakabuski:** They do apply under the normal bylaw, or whatever you want to call it, the normal programme. But I am just wondering if, in the cases where it connects two highways, whether the department might consider some special assistance.

**Hon. Mr. MacNaughton:** I do not know that that would make any material difference. They would still have to fit into the formula and be determined on the basis of their needs, just the same as the original road was, and there are ways of determining that, as the hon. member knows.

**Mr. Yakabuski:** That is all I have for now.

**Mr. Chairman:** Mr. Spence.

**Mr. Spence:** Mr. Chairman, I would like to discuss road construction and municipal subsidies—the fact there is a difference in subsidies between 1969 and 1970, and also it is somewhat lower in 1971 and 1972 from 1970 and 1971. Of course, in 1949 I had some connection with the county roads system at

that time, and we found that the cost of construction of the county roads was about \$22,000 per mile.

Since that time, as standards had to be raised in order to cope with the increased tonnage that trucks could carry—to which I have no objections whatsoever—we find the cost of constructing a mile of county road has increased considerably. The number of miles that a county can construct in order to keep their county mill rate reasonable to the taxpayer are less. There are fewer miles constructed. This is cutting down the number of miles that a county can build.

I might say to you kindly, Mr. Minister, you carry out these road studies, road counts, and then the next thing we hear is that this road or that road has to be handed back to the township, or one thing or another like that. It makes us wonder if a lot of our county roads are going to be in a very poor condition before the county gets around to rebuilding a large number of them.

We know your position in regard to cost. We know you have only enough money to do this and that. But there is a situation here that makes you think, we hope, that the government should not ask the townships to take over these roads, because it will be put back on the small municipality to bear extra costs, or else we are going to have a lot of poor county roads in our county road system. I do not know if this exists all over—

**Hon. Mr. MacNaughton:** Yes, it does.

**Mr. Spence:** —but it exists in our area, Mr. Minister. It is a concern to those in municipal life, and I know it must be of concern to you, as Minister of Transportation and Communications. I would like to know, is it the plan that we have to hand back more of these county roads back to the municipalities?

**Hon. Mr. MacNaughton:** We do not hand them back, the county hands them back.

**Mr. Spence:** Yes, the county hands them back. But your roads need study recommends this, is that right?

**Hon. Mr. MacNaughton:** Yes, but at the same time as the needs study report recommended certain reversions to the township, it also recommended certain assumptions to the county.

**Mr. Spence:** This is true. But of course there is a downward trend, is that right?

**Hon. Mr. MacNaughton:** I think one thing we discovered when we made that county needs study is that there were many county roads that should be township roads, as a result of the service they provide and their position between both provincial and highways and other county roads. In each and every circumstance the counties that undertook the needs study, and that was most of them, with exceptions, accepted the report and agreed to revert these roads to get some assumed, shall we say. They did that, the counties agreed to these things.

**Mr. Spence:** This is right. But I will tell you under certain conditions that you would take over a piece of the county road and take it into the provincial highway.

**Hon. Mr. MacNaughton:** If it should be a county road system and it was a problem for our road system the county took it on.

**Mr. Spence:** But then you would have to take back so many miles of county road.

**Hon. Mr. MacNaughton:** Well, of course, they should not have been in the system in the first place.

**Mr. Spence:** But anyway we did all fight for these to get it in to the county road system and we were happy to know then that it would never be handed back, is that right Mr. Minister? And you come from a riding the same as I do—

**Hon. Mr. MacNaughton:** Exactly, and we had some battles over some roads that reverted too, that were unbalanced. The system is working very well. We have a better system of county roads as a result than we did before.

**Mr. Spence:** But it has improved our county and own township tremendously to have these county roads. To have a county road system. Is that right?

**Hon. Mr. MacNaughton:** That is the purpose.

**Mr. Spence:** Where it led to some place no matter how—

**Hon. Mr. MacNaughton:** That was the purpose of the Act.

**Mr. Spence:** But since you carried out handing back some of these roads—

**Hon. Mr. MacNaughton:** We did not hand them back.

**Mr. Spence:** No, I agree. But it was through your department—with great respect to you, Mr. Minister—but it is a backward step to us—

**Hon. Mr. MacNaughton:** I rather thought it was a great forward step. So did most of the counties.

**Mr. Spence:** Mr. Minister, when you hand a county road back to a township, I am telling you it is backwards. And when you take a county road into the provincial highway system, it was a credit. Everybody was happy. Is that right?

**Hon. Mr. MacNaughton:** It has to be accepted that you never make a township happy by handing it back a road. That is understood.

**Mr. Spence:** This is true.

**Hon. Mr. MacNaughton:** Then if you are going to have a good sensible, desirable, system of county roads, some township roads have to go, because they do not fit the system.

**Mr. Spence:** This is true! But, nevertheless, Mr. Minister, when the number of miles that you complete or repave, or redevelop is getting less all the time on account of costs, on account of standards that are required in order to cope with the number of tons that are drawn by our transport, and I would say, Mr. Minister, before the county gets around to rebuilding—

**Hon. Mr. MacNaughton:** You are talking about the county of Kent?

**Mr. Spence:** County of Kent. That is right. We have got a lot of miles, but nevertheless there was a great need for it.

**Hon. Mr. MacNaughton:** The county of Kent is not altogether a poor county you know.

**Mr. Spence:** No, but we have our difficulties too, be assured.

**Hon. Mr. MacNaughton:** We all have those.

**Mr. Spence:** And I will tell you this, before the county gets around to rebuilding them, we are going to have a lot of bad county roads without some change. And we hope that it will not be handed back to our township, because for the township the costs right now are at saturation point. There is a concern here and I just want to bring it

to your attention, and I do not want to ask you because it is partly a question it is pretty near impossible to answer. We hope that the department is not going to hand back the county roads to the municipality because they are burdened now, and we hope there can be something done so there will be no more roads handed back if at all possible.

**Hon. Mr. MacNaughton:** I cannot guarantee it. I cannot make a commitment like that.

**Mr. Spence:** No, I know that, but I just want—

**Hon. Mr. MacNaughton:** If the county passes a bylaw to revert a road to a township, I will accept their advice and generally the bylaw will be approved.

**Mr. Spence:** But, Mr. Minister, you hand out a bate that you will take over so much. Is that right? That you must take back this. You are in a difficult position. I realize that. But is it a concern to us, that our county road system, before we get them rebuilt—the pavement that was laid in 1948-1949 was 2.5 inches. Well, that is not sufficient today to cope with the trucks. But I just wanted to bring to your attention our concern. We do not want our roads back into gravel. We do not want our roads handed back from the county road system to our townships, because our townships have—and you know it too as well as I do—all they can stand at the present time. Of course, you have a problem too.

**Mr. Chairman:** Mr. Bukator.

**Mr. G. Bukator (Niagara Falls):** Yes, Mr. Chairman, I am sorry that the hon. member for Renfrew South left. I was being very sympathetic to his argument, especially coming from the south portion of the county, and driving up to Ottawa on occasion—I do not do it very often—to find that the best roads from Kingston or beyond, east of Kingston, is Highway 17 to Ottawa. And you have two-way traffic on Highway 17. Or is there a better road beside that one?

**Mr. Simonett:** You take Highway No. 7.

**Mr. Bukator:** Highway 7? I have travelled that highway and it would appear to me they should have improved it to fit in with what you have from Kingston back this way. Then in Ottawa they built that new highway, or expressway, or whatever they call it. And

I thought that link would be completed long before this. But I am not here to debate in favour of Mr. Yakabuski. He does very well for himself. Even though he can disturb the minister for a moment.

**Hon. Mr. MacNaughton:** That is a matter of opinion.

**Mr. Bukator:** I wanted to say a couple of things in connection with what Mr. Haggerty said about the part of the country that he now represents. When I was the member for that part of the county of Welland, I was well acquainted with the work that was done, or the work that was not done. And he made two good points when he mentioned the fact that at Fort Erie, coming off the Peace Bridge, when the people did come into Canada there was a very small sign—if there were any signs there at all, I do not know. But the fine big sign they have as you come across the Peace Bridge is a gas company sign, and it says welcome to Canada, and the name of the gas keeps flashing in lights. I thought now that four-foot sign they have there now or whatever the size of it was should have been the gas company's and the other should have been the province's sign—that was my impression anyhow.

**Mr. Haggerty:** When you get over to the American side they have a sign up there too that says—

**Mr. Bukator:** Yes, they sell Molson's or O'Keefe's. But anyhow, in Canada there is a gas company's sign and a good one. But I find we cannot be too critical of the department on this point. Before Mr. Haggerty's experience in the Legislature I too was on the county council and we had representation on a committee from the Peace Bridge right into Stamford township and every reeve or mayor of the municipalities adjoining the Queen Elizabeth Way met with The Department of Highways and the minister of that day. I just forget who he was, but he was more than decent with us. He said: "All right, tell us what you want at the Peace Bridge end, and we will complete this. We know it should be done."

Between the Chamber of Commerce and the town of Fort Erie council and others, they just could not decide on what they wanted. However, I do see here in your programme, that you are going to do some of that work in connection with Fort Erie. Yes, the Queen Elizabeth Way, page 22, west of the Concession Road interchange, including North Street and Central Avenue overpass.



That was asked for by councils for many years—as a matter of fact it was in 1951, when I was a warden of the county. We would meet with the department heads there wanting to finish the job for us. I do not condemn the government, or The Department of Highways at this stage of the game, simply because I remember our experience. They would say to us: "All right, decide what you want in the town of Fort Erie, and we will complete it." Apparently there had been some decision made.

So when they complete this and then put that sign in that Mr. Haggerty asks for, it would be good for business, because I think we should advertise the province to our American traveller when he comes into Canada.

The level crossings have always bothered me as a member of the county council. I recall one, again in Mr. Haggerty's riding of Welland South, in the town of Ridgeway, part of Bertie township. You have the McLeod House on one side and then the Morningstar plumbing store on the west side of the road; the stores are quite close to the track and the train comes through there at a terrific rate of speed. Strangers can be caught in that trap; they have, and many people have been killed now.

I feel that if they cannot get rid of these level crossings—and in some cases, they cannot; they cannot build an overhead. I know too what you have to contend with with The Ministry of Transport—the railway crossing fund, I think they call it—but I would think that at least one of these half-arms in sections such as that one would partly fill the bill for the time being at least. It is a terrible thing to read in the paper that a man and his wife and a couple of children or a child have been killed.

**Hon. Mr. MacNaughton:** You mean gates?

**Mr. Bukator:** Yes, an arm alone. If nothing else, they could put those in. They are not that costly. I think at the time we inquired about the price, they were something like \$2,500—\$2,500 to save even one life would be a very cheap price to pay.

So there are areas such as that one. Mr. McNab, did you say there were there?

**Mr. McNab:** No, I—

**Mr. Bukator:** Oh I am sorry.

Anyway, the member for Welland South makes this argument and makes it well. I think you should take a good look at that

and if it does not involve that much money, you might save a life or two. People have been killed on that crossing, simply because it is so close to the road and, believe me, that train does not slow down to any 60 or 70 miles an hour. They come speeding through there as though there was nothing in that little hamlet of Ridgeway. I want to get a little closer—

**Hon. Mr. MacNaughton:** On that score, I might say, if you will permit me, that for signals of any kind we still have to apply to the grade separation fund.

**Mr. Bukator:** Yes, I know.

**Hon. Mr. MacNaughton:** I am going to send a copy of this evening's Hansard to the Minister of Transport, I might say, and he can help me, I hope.

**Mr. Bukator:** Very good. If—

Interjection by an hon. member.

**Hon. Mr. MacNaughton:** I am. I am going to send a copy of this Hansard to the federal minister, because we are not budging them on anything from that—

**Mr. Bukator:** As a matter of fact, I would be most happy to accompany any particular group going to Ottawa to talk about these installations, which are very cheap compared with my time. I also have to point to one of your exceptionally good officials, who holds a high office now. He is Charles Wilmot. He was a county engineer at the time I was on the county council—even before I was reeve, I guess, on the local council—and he is acquainted with that part of the country as well as he knows the back of his hand.

We have had discussions along these lines. In some places we, as a county council, decided to build over-passes—Needle's crossing cost something like \$325,000, I think; at west Main Street, another overpass was built, but they have recently taken it out because of the new canal. So county councillors made a contribution too over the years, and they have eliminated the odd one that I think it was good business to eliminate.

However, getting a little closer to home, I want to compliment you, Mr. Minister, among others—but I know you were a Minister of Highways away back when when I approached you on certain problems. When I drive about, in my experience—I guess I am getting old and perhaps I have become

a little sentimental, but I like to reminisce; I recall the new bridge that was built in Chippawa to the tune of something like \$750,000. I took this matter up with you. I thought I approached you with common sense and reasoning and apparently you found it that way, for we have this new bridge.

I remember the Walter Deans bridge, named for a member of the old suburban road commission. We built two bridges something like 14 feet above the water. Now, we have a bridge in between; it belongs to the Penn Central and it is a railroad bridge. One of your officials called me and said you were building a new bridge in Chippawa about 14 feet off the water; you had quite agreed and the Deans bridge was being built about 14 feet to allow some of the pleasure craft to use the marina. And yet we have a railroad bridge that is only 8½ feet off the water. Now, how can they utilize these bridges if they cannot get by the railroad bridge?

**Hon. Mr. MacNaughton:** That is a good question.

**Mr. Bukator:** That is a good question, and I answered it this way. Once upon a time, about 50 years ago, I remember a man turning that railroad bridge around when they were dredging the first Sir Adam Beck Canal through to reverse the flow of the Welland River down to the first power project. A man could go out there with a great big gear on this bridge, and by putting a little bit of metal into a slot he would turn the bridge around and open it up so that the could go through. And there were many boats, many tugs with—what do they call these big—

**Mr. Haggerty:** Barges.

**Mr. Bukator:** —barges, where they dumped the mud into the Niagara River. At that time they added to the pollution also, but nobody complained too much. Anyhow, it was worked at that time with one man, and when they found it got a little too much for him they did put electricity in and managed to activate that bridge, or work it.

Now that particular bridge is preventing hundreds of people who have fine launches from getting from the Niagara River through to the boat club and up the Welland River, possibly to Welland. I think they can get close to Welland. We have approached the Penn Central to do something about it.

Again, it may not be your department, The Department of Transport. It was the St. Lawrence Seaway Authority at one time but they have given that over to The Department of Transport.

One of the county councillors—I am sure if he were here I would say the same thing—is Eddie Weightman, who was the reeve of Chippawa, who is now on the regional council. Now the only company to use this bridge service is Weightman's Lumber Yard. I guess a boxcar or two of lumber, possibly, a month, I do not know, even four. It would appear to me that the bridge should, if not come out, be reactivated so that they could open it up and let the traffic through and leave it open for weeks at a time until he wants his carload of lumber through.

Now, if your department can do anything to bring that about you would be surprised at the many friends that you could make for you and your government—and you need some in my riding if you expect to unseat me.

**Hon. Mr. MacNaughton:** I am not going to comment on that.

**Mr. Bukator:** However, I know that you do not look at it that way, Mr. Minister. We all have a service to render to the public and I think if this bridge were to be re-activated it would service Liberal, Conservative and I suppose a few NDP have boats, I am not sure, but I imagine they have.

**Hon. Mr. MacNaughton:** I think we are having enough trouble with bridges right now, I might say so.

**Mr. Bukator:** So much for the bridge. I asked the question of you, Mr. Minister, in the House about the Dorchester Circle which is being developed. It was quite a man-trap. It injured many people, with a lot of property damage. A few were killed. And I see now that you are doing a very, very expensive amount of work in that section and I see too in the programme that you are going to continue.

I asked the question of you and you might have had the answer for me. I have not been into that period of the session, the question period, for quite some time. You might have had an answer for me. But I asked you, Mr. Minister, through the Chairman at that time, or the Speaker, why they laid off 25 men on that job at this time of the year when there is so much unemployment, and I am still waiting for the answer.



**Hon. Mr. MacNaughton:** Yes, I think I put it in Hansard.

**Mr. Bukator:** I will look it up. It would appear at this time, as a matter of fact, the timber on the bridges, the construction work, the concrete, is still laying there and nobody is doing too much work around that area, and it would appear to me that once you have started the job you should go on with it to complete it.

I also wanted to touch—

**Hon. Mr. MacNaughton:** Just in case you do not get back to it, it was the contractor's men who were laid off.

**Mr. Bukator:** There was a contract given out, he finished his part of the job and laid them off, is that it? Well, that is a good answer. I can understand they had a certain amount to do and they completed their contract then they laid them off.

Down at the Rainbow Bridge when you come from the American side—I mentioned this to you before—there was a time you would come off the bridge and turn left and drive into the park system where we want the traffic. I brought that to your attention; I am sure you are acquainted with what I am talking about. They decided to put a curb in there simply because by waiting for the light to change so they can turn to the left bottled up the traffic. So they closed that off and the traffic continues up the Queen Elizabeth Way. I tried to think of the man who was Minister of Highways when that was built. It was T. B. McQuesten—I looked it up since. He started in the Liberals' time, with the Queen Elizabeth Way. Who had the original plans? It might have been a Conservative. Believe me, I am not talking politics at all; I am just relating the facts to the minister so that he could turn into the park. Many of the people I have talked with say there is quite a bottleneck there in the summertime, and it could be maybe for 50 days. Other than that, that could be opened up and the people could come into the business area, Clifton Hill, and into the park system.

When I inquired about this about a year ago or two years ago, we were told now that we have it done, give it a chance and see how it works. We feel that a lot of the traffic continues on up the Queen Elizabeth Way. Once they are on that road they continue on and do not stop at the falls like they intended to in the first instance. To my mind, the left lane could be very

simply diverted by cutting a small curb out and saying, "Turn left on arrow only" and the others could continue on. There would not be any bottleneck there at all. You would make a lot of people happy with that, if your engineers could see that it would be a good idea. As I see it as a layman driving the highways often, I think it would be good business to take that curb out.

Now that I have been complimentary to you with a little bit of reasoning, trying to make a point or two with you, I am going to be critical of some of your people.

Along from Victoria Avenue, after one gets through the subway—again I will refer to it as the McQuesten canyon, as they referred to it at that time, we have houses on both sides of the Queen Elizabeth Way. Recently I was contacted by a lawyer in the city. The man has quite a substantial store on the corner of Victoria Avenue and the service road to the Queen Elizabeth Way and he cannot renew his leases simply because the department has taken Legion Branch 51, or purchased that. Across the road the department is going to buy some more of the buildings, and he cannot give long leases to his tenants for fear that somebody is going to be in trouble. He feels, and justly so, that this building should be bought from him, or he should get the go ahead and be told: "In three years we will not bother you. Renew your leases because we are not going to build for quite some time." But at least it is common sense approach to the problem.

Another man, by the name of Vince Germano, called me. He had started to build a swimming pool along the same route and was told by The Department of Highways that he could not have his permit or should not have started. Or maybe if he did not start he wanted to. The city will grant him a permit providing The Department of Highways gives him the okay also. So it is a sort of joint effort, is it not? Is that not the way it works? You do not know anything about that?

Anyhow, the man cannot build a swimming pool. We believe that all those houses are going to be bought up by the department. If The Department of Highways said, no, and that is, I guess, what, Mr. Greenwood your district engineer said. Mr. Greenland.

One or two things should happen with these people. Either they should be granted their permits to go on with their construction



—and I realize when the department buys, it will have to pay more money that is invested in there—or the department should buy and let them go on about their business and build elsewhere. This is a common sense approach to the problem.

**Hon. Mr. MacNaughton:** We can certainly pursue that matter to determine whether the period of time is going to be short, or if it is too long, there is some sense to what you have said.

**Mr. Bukator:** —that is all I want of you on that particular subject. Thank you very much. I am not going to take up any more of your time, except to say that there are many problems that I have taken up with your people in the department that I think are menial little problems that do not warrant a minister's decision one way or another. I might say most of your staff have treated me especially well.

**Mr. Chairman:** Vote 803 carried? No! Mr. Gaunt.

**Mr. Gaunt:** Mr. Chairman, I have three matters that I want to review with the department. I suppose at this hour of the night I will deal with the problem that can be dealt with most quickly, because in this regard I do not feel that this problem is very onerous from the standpoint of planning.

I want to solicit from the minister and from the department people, if I may, some of the long-term planning with respect to our part of western Ontario. I believe there was a plan residing in the department at one time or another that suggested that a major highway, I believe a four-lane highway, be built on a rough semi-circle of that part of Ontario, coming up from Windsor veering off to London and then making a sweep right around, coming up through or close to Wingham, Listowel, Mildmay, Flesherton and veering off again into Simcoe county. I presume that since the meeting last year—I believe there was a meeting last year—in which there was an unveiling of sorts wherein a plan was proposed.

I do not think it was a firm plan but it was proposed and while I was not in attendance, I think this plan proposed that there be a major artery swinging up from Kitchener up roughly along highway 89 to highway 87 then up highway 9 right through to Southampton. Then there was another roughly parallel major artery coming from Toronto and up through to Brampton,

Orangeville, Shelburne, Dundalk, Flesherton and right up to Owen Sound. I want to determine from the department if, in fact, these are just sketches on a map, if there is anything firm or if it was just a plan that was drawn by one of your planners in the department as a proposal. Has it gone any further than that stage?

**Hon. Mr. MacNaughton:** We are going to make that plan public next month.

**Mr. Gaunt:** I see. Is the minister in a position to tell me, is it roughly along the lines that I have drawn?

**Hon. Mr. MacNaughton:** In schematic terms I would suppose it is. Maybe Mr. Bidell could comment. We hope to publish it.

**Mr. Bidell:** The copy you are quoting from is the—

**Mr. Gaunt:** Lake Huron-Georgian Bay.

**Mr. Bidell:** Lake Huron-Georgian Bay, that is right. As the minister said, this is going to be public next month.

**Mr. Gaunt:** I see. Let me determine, having made it public next month, is that a firm proposal? What happens after that? I am trying to determine just exactly the stage at which this plan is within the department system.

**Hon. Mr. MacNaughton:** We make them public after they are developed to that extent on a basis of firm study. Public reaction is quite important to us before we proceed. It may well be that public reaction would modify it in some terms. But that is basically why we make them public, to get the public's reaction to what our—schematic is as good a word as any—schematic plans are for the area. Those plans are usually projected for development over a period of 20 years. All our area planning studies are based on 20 years, for highway facilities of that kind over a 20-year period.

**Mr. Gaunt:** So it will be subject to change? It is not—

**Hon. Mr. MacNaughton:** It may and it may not be. But certainly if those people at the county level of jurisdiction, and in some instances urban municipalities who are involved, have time to study it they are quite prepared to comment and make recommendations without shall we say impairing the

generality of the plan, we can make adjustment, we can make changes. But for general planning purposes it is conceptual in that sense, yes.

**Mr. Gaunt:** Conceptual in that sense in that you are not—

**Hon. Mr. MacNaughton:** Well we are prepared to make modifications, as I say, without impairing the generality of the conceptual nature of the plans, that is right.

**Mr. Gaunt:** So that when the plan is unveiled next month it is not a question of going out and starting to purchase property?

**Hon. Mr. MacNaughton:** Well not maybe just the next day, but that process will go on. Our programmes, actual construction programmes are usually five-year programmes, but that is an overall plan for a 20-year period; so once it is accepted or modified in the manner I have pointed out, then the actual programming which will lead to acquisition of property and functional planning and eventual construction will be based on that. I would say it would be reviewed from time to time too.

In other words, let us say circumstances change in 10 years and if there is a section of a road that should go a little differently, all right. That could be comprehended, but the concept will not change that much.

**Mr. Gaunt:** What about the other plan I alluded to? Has it been scrapped for all intents and purposes?

**Hon. Mr. MacNaughton:** No.

**Mr. McNab:** May I speak to that? You say it was proposed. Proposed by whom, sir?

**Mr. Gaunt:** I am not sure if it was a public proposal. I think that—

**Mr. McNab:** It appears to me that it is more of a desire line and may be dealt with that way.

**Mr. Bidell:** Were you referring, perhaps, to phase one, the analysis stage with respect to regional development? This announcement of a regional development concept, Design for Development Concept of this area of the province will be put out by The Department of Treasury and Economics.

**Mr. Gaunt:** No, I do not think so. This went back further than that. My information was that there were plans within the department indicating that there was a proposal going to be made. I do not think it was a public proposal. I think this was just a plan, a concept if you like, within the department that they build a major artery up through that section of—

**Mr. Bidell:** Would the member describe that route again please.

**Mr. Gaunt:** I think as I understood it, it came from Windsor up through London and pretty well followed Highway 4 to Wingham, across to Mildmay, and it did a sort of half loop then and swung back into Simcoe county.

**Hon. Mr. MacNaughton:** I must confess I am not up to date enough to recognize that. It may well be but—would it be possible to let us see that book?

**Mr. Gaunt:** Yes, sure. I have just drawn this in you see.

**Hon. Mr. MacNaughton:** Mr. Bidell, those are our intentions in conceptual form are they not?

**Mr. Bidell:** Yes, these were the recommendations that we made to the various members that are involved in this particular area.

**Mr. Gaunt:** I am sorry, Mr. Bidell.

**Mr. Bidell:** I said this was presented to the members affected in the area covered by this study as a preview to this public announcement that will be made. The presentation will be in the form of a public meeting at which all the local municipal elected officials will be invited. The Minister has said that following this presentation, there will be time for discussion and an invitation for any ideas or counter suggestions and so on that people in the area may have. This is where we are flexible in this regard; that following receipt of this information, we may make some changes as a result of these submissions.

**Mr. Chairman:** Thank you, Mr. Bidell. It is now 10:30 p.m. We will adjourn until tomorrow afternoon at 3 o'clock p.m.

The committee adjourned at 10:30 o'clock p.m.

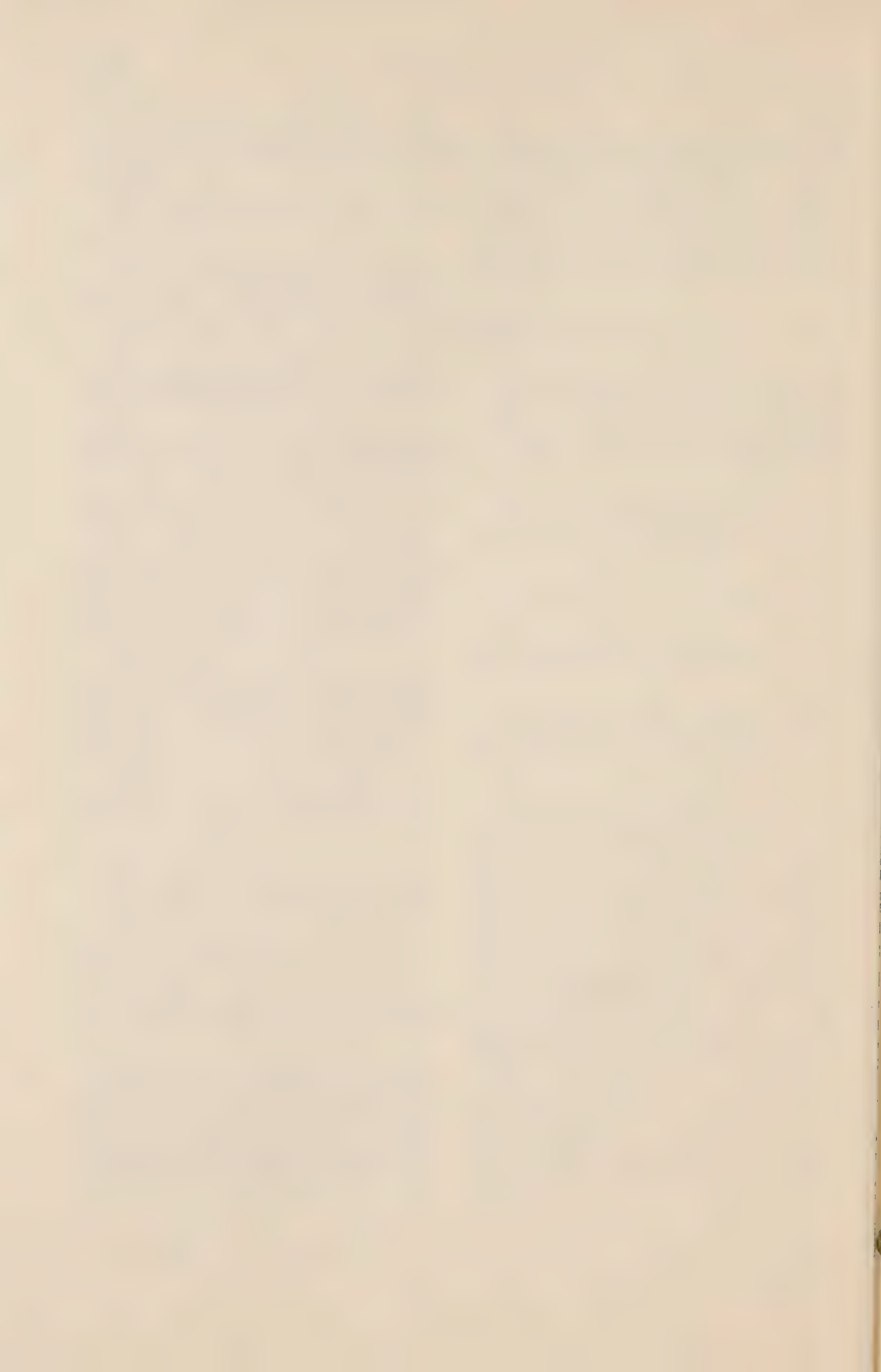
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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Transportation  
and Communications

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Tuesday, June 29, 1971

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JUNE 29, 1971

The committee met at 3:20 o'clock, p.m., in committee room No. 1; Mr. M. Hamilton in the Chair.

ESTIMATES,  
DEPARTMENT OF TRANSPORTATION  
AND COMMUNICATIONS  
(Concluded)

On vote 803:

**Mr. Chairman:** Vote 803 carried.

Vote 803 agreed to.

On vote 804.

**Mr. Chairman:** Mr. Young.

**Mr. F. Young** (Yorkview): I would like to put up a little map if I might, Mr. Chairman, as I generally do in these estimates to illustrate what I am talking about. In other words, Mr. Chairman, I want a road in my riding, the way the other fellows do.

**Hon. C. S. MacNaughton** (Minister of Transportation and Communications): Well, I will tell the member what he just told me.

**Mr. Young:** Mr. Chairman, we have been talking a lot about highway construction here in this committee and hearing a lot about the kind of things needed to transport people from place to place.

In Metropolitan Toronto, of course, our great need now is for rapid transit. With the stopping of the Spadina Expressway, the emphasis now of this government—and I think of a great many people in the Metro area—is on some sort of rapid transit. We have discussed from time to time what needs to be done.

Last year I suggested GO Transit should now run to the west from Union Station out through Weston to Malton, Bramalea, eventually Georgetown, and perhaps to the Kitchener-Waterloo area. This was presented last year in a map similar to this, only more extensive because it took in the rest of the province out to the west. I want to reiterate today that need for this kind of an extension to Go Transit.

Certainly we are going to need some further transit facilities to the east, going up between the lakeshore line and the Yonge extension which is now in operation to the north. Something is needed too in the Spadina alignment, or somewhere near that. Whether it is in the present alignment as outlined before or near there must be investigated. Some transit line must run through there.

In the meantime we have the facilities—the railway right of way in this particular area to the west up to Malton. It was looked into back in the early 1960s. Unfortunately I have not any figures beyond the 1963 report, but at that time it was suggested this was a logical extension; that this kind of extension should be undertaken within the near future and that it would serve large numbers of people. Since then of course a great deal of building has taken place.

We do not know, Mr. Chairman, whether the new airport is going to come out to the west or not. If it does this western line of the CNR will naturally go out there. The extension of the present Malton airport does make sense out of this kind of plan, because with the increase in traffic there the necessity to get people out of Malton and downtown is more pressing every day, so that I am not going to spend too much time at this point on that particular line.

We have the station at Queen Street roughed in; there would be a station, I presume, at the other concession lines, although at the Bloor line there would be some little difficulty because of the distance between the present subway station and the railway line. That could be overcome I am sure.

The Weston station is in operation and then stations west of here would have to be determined by the Woodbine Racetrack and the concession lines north and south. So that is I think fairly clear as a logical extension.

But today, Mr. Chairman, I would like to bring to the minister's attention and to that of the committee the need for another extension to the north from Weston along the CP rail line, the MacTier subdivision line.



Since the 1963 report, which indicated there was hardly enough justification for this line at that time, a great deal has taken place. We have the two railway yards that have been located, one just north of Downsview and the other out to the east. This means that freight traffic downtown has been cut drastically since that time.

We have had a great many new subdivisions in this northwest area, both in Etobicoke and North York and building is now taking place north of Steeles Avenue, although not at a very accelerated pace because of the lack of services up there. But they are breaking through and there will be some extension up through that area.

So, Mr. Chairman, it now seems to be a logical time to also plan extension of GO Transit up the MacTier line, at least to Woodbridge.

There are several advantages here. First of all, I call to your attention the population. We have now in this one area alone 31,000 with 39,000 projected. We have on the east side, in this proposed new ward in North York, 38,000 people with a 60,000 projection. We have in this particular area just east of Weston 35,000 with a 43,000 projection. In this area, which would be served by the Eglinton station, 53,000 people; but the city of Toronto did not want to project—at least, the people we talked to did not want to project how many people might be located there. They felt it was fairly well filled up.

On the Etobicoke side, on the north side of the CNR line we have 43,000 people with 64,000 projected. South of that line, there are 60,000 people with 100,000 projected.

Now, I am not sure how many people live out around Bramalea and Malton. A tremendous population is building up there, and of course the Malton airport itself will demand much service. So that in the section here, you would have, at the present time, around 320,000 people north of Eglinton. That is not taking into account the city itself from Union Station up. You will have a projected population of 420,000 people in this area.

And in the area from Weston north, which would be serviced by this line—cutting out part of north Etobicoke because these would, in part, be serviced here—you would have about 150,000 to 170,000 people serviced by this particular line. In addition you have a very heavily industrialized area from Wilson Avenue up to Steeles, which would

also be serviced by this kind of an extension of GO Transit.

Mr. Chairman, there is another advantage to that line. You have Highway 400 coming south, which is now being widened. There is a lot of traffic there, people coming down on the 401, filtering down into the city.

We could do, I think, what New York is doing, and other cities. We could, with proper signing, persuade people to leave 400 at the Finch Avenue cutoff, across here, where there is now a great deal of open space. With proper free parking here, people could be syphoned off here, park their cars and take GO Transit downtown.

The same kind of thing might be done with people coming on 401 from the west when they hit the line here. With proper parking facilities, a lot of those people might be persuaded to take the GO Transit downtown and therefore relieve a great deal of the congestion now caused by the people from outside Metro who come in for a day's business or a day's entertainment or whatever they come for. Even those who come to work would, with free parking, likely leave their cars in these parking lots and come downtown, if they are working downtown, or take the transit lines east and west to wherever their workplace might be.

A great many of these people, of course, who live downtown work north of Wilson, and this GO line would also serve them.

So I bring that to your attention, Mr. Chairman, and I would also say this. I took a trip through this area, with which I am fairly familiar because it happens to be in my own particular riding. You have publicly owned land right at Steeles Avenue; there are some 54 acres we bought there when I was on council some years ago. A plan has been put on that, but there is still a great deal of vacant land not built upon.

You have, in the area I mentioned, the Emery area, a very great deal of open space. Down here south of Sheppard there is open space, but it is filling up very fast and some action has to be taken soon, I suspect, to keep that; although there is other open space that might serve the same purpose within the particular area.

South of 401 there is an underpass under the highway at Wendell; and right here, south of 401, there is still an open space on which a subdivision plan is now being placed, but which would serve for a station and parking for traffic coming off 401 or traffic coming from the east or from all this area.

Action should be taken soon if some of these parking areas are going to be preserved. I bring to the attention of the minister the need for this.

I do not want to go into the general philosophy behind this. I think what we have said before in this committee is valid, that the only final solution is public ownership of the rights of way, so that we can plan properly and build properly for rapid transit lines. The same thing will apply wherever we want to put them through to the east. And of course it is another proposition up in the Spadina area, because that will have to be another kind of construction, but we have the right of way in the Weston area. We have a desperate need in this particular section which does not, of course, eliminate the need for what would have been the Spadina alignment of rapid transit, but it is there.

The right of way is there and the rails are there in part. What has to be done now proper engineering would tell us, but that could be done fairly rapidly and with enough contractors at work along these alignments the trains could be in operation in a relatively short time.

It seems to me that this makes a logical addition to GO Transit and I bring it to the attention of the minister and urge that something be done and done soon. Because you have, if I can recapitulate, a very dense population in this area. The figures are that there will be 420,000 people here eventually within the next 10 or 15 years. There are over 320,000 people now, you now have above Wilson 160,000 people who need transit. You have the chance of getting people off the main arteries to bring them downtown, and it seems to me, Mr. Chairman, this makes a logical future for the next extension of GO. I urge upon the minister this be given very careful and very serious consideration.

**Hon. Mr. MacNaughton:** You make a lot of sense. It is timely, I think, to consider these matters and you will be interested to know—I think I mentioned it the other day—that there is a task force which has been set up under the joint jurisdiction of our department and Metro. It will also have representation from the counties and regions that are on the periphery of Metro, because we get outside the boundaries in what you propose. This will make up the complement of the central or the executive committee.

As I explained, the task force has been set up and asked to report on certain phases in

three months. It is timely again, of course, because it is obvious now that we hope to become transit-oriented rather than automobile-oriented.

The federal Minister of Transport has also assigned a representative to work with our technical group. He has been to visit Mr. Bidell and others on the staff on a number of occasions. We have had particular reference made by authorities with respect to the Weston line already.

So I cannot disagree with the wisdom of what the hon. member has said. On the other hand, I want him to accept the fact that we are going on with it now.

Reference was made to engineering. We have had some experience with that with the lakeshore line. It does not always become quite as easy or simple as one would assume, because there are certain regulations that we have to live with. We would have to determine whether there is sufficient track capacity; if there is not, that would have to be provided for. We would have to determine the extent to which other types of rail traffic is involved, to make it possible to work out the time slots required for a rapid transit system on a line that is probably carrying freight movements. All these things have to be done, as the hon. member knows. If double trackage is required in certain areas, then signalization has to be provided for—it does in either case, whether it is single trackage or double trackage.

So there are a number of engineering matters that have to be developed in a thorough-going way. I think the matter that will be of interest to the hon. members in the committee is that this thing has started with some federal participation. Federal participation is an absolute requirement where the railways are involved, because my experience with the Canadian National Railways particularly would make it rather obvious that federal participation is required if we are going to get any financial assistance from that level.

The member made reference to public ownership. This would be another matter that would have to be taken into account, certainly where the privately owned railroad is concerned. So there are many areas to examine that will result in eventual negotiations. I guess the extent to which we are pursuing this now is sensible, because there will be determinations reached about all the matters that would concern us once we get at these things.



So all I can say to the hon. member is that his observations are timely from our point of view. We will be pursuing this, there is no question about it.

**Mr. Young:** Mr. Chairman, it seems to me now that decision has been made, that this kind of transportation is inevitable in our cities like Metro, then I think speed becomes essential. As I said before—

**Hon. Mr. MacNaughton:** Speed compatible with doing the job properly, of course.

**Mr. Young:** Right! But when we really want to do something badly enough we generally find ways and means of doing it. Certainly, as I have said before, federal funds would be of tremendous help in speeding up this whole process. Lacking that, it may be a little slower, but again I think the province has to face the fact that we have to give even more help than was announced yesterday to get projects like this under way—to get the capital to do the job.

**Hon. Mr. MacNaughton:** This is quite true. What was announced yesterday was in an altogether different context. The hon. member will understand that.

**Mr. Young:** This is a provincial thing—

**Hon. Mr. MacNaughton:** Yes.

**Mr. Young:** —where the other was municipal. But this is a thing which the province has more under its own control, although I realize the difficulties with the railway line—

**Hon. Mr. MacNaughton:** There are elements of control that we need—

**Mr. Young:** —and the federal organizations. Surely with the hulabaloo we heard in Ottawa about the new Department of Urban Affairs and the great concern down there with the cities which we heard talked about, there must be some willingness now to co-operate with a provincial government such as this, which is concerned now to go ahead and to do the job which alone, perhaps, can clean up our cities as far as the automobile and pollution is concerned.

**Hon. Mr. MacNaughton:** We have federal representation now, as I have pointed out to the hon. member. There has been no discussion whatsoever in terms of cost sharing. We have no idea as yet whether there is any intention to share cost but at least we have this much federal participation in terms

of the study process. If that is a foot in the door I hope we can keep pushing the foot in.

**Mr. Young:** I hope the whole person goes in, not just the foot.

**Hon. Mr. MacNaughton:** If the foot goes in farther then you can do something with your foot, if you can get it in far enough.

**Mr. Young:** Get the door open wide; that is a start.

**Mr. Chairman:** Mr. Haggerty.

**Mr. G. Ben (Humber):** I am sorry, I was here before the member for Welland South (Mr. Haggerty) came into the room.

**Mr. Chairman:** Well, he indicated before you did, Mr. Ben, that he wanted to get on this—

**Mr. Ben:** On the same topic?

**Mr. R. Haggerty (Welland South):** Vote 803.

**Mr. Ben:** On the same topic?

**Mr. Chairman:** We are on vote 804.

**Mr. Haggerty:** You moved on to that other one then?

**Mr. Ben:** I wish to pursue what the member for Yorkview—

**Mr. Chairman:** All right, Mr. Ben.

**Mr. Ben:** Mr. Minister, did you not, in 1963, head up a committee which studied the transportation problem in the Metropolitan area involving the use of rights of way?

**Hon. Mr. MacNaughton:** Yes, I did.

**Mr. Ben:** And was that report not named after you and called the MacNaughton report?

**Hon. Mr. MacNaughton:** Not to my knowledge.

**Mr. Ben:** Let me put it this way. Was it referred to as the MacNaughton report, if unofficially?

**Hon. Mr. MacNaughton:** I do not know. If it was, it should not have been, but it does not matter.

**Mr. Ben:** All right, it should not have been. But you headed up the committee?

**Hon. Mr. MacNaughton:** Yes.



**Mr. Ben:** And you made a detailed study of the use of the railroad lines, as the hon. member has now detailed? Is that not a fact?

**Hon. Mr. MacNaughton:** Yes.

**Mr. Ben:** And is it not a fact also that the former Premier (Mr. Robarts), discussing the GO Transit system, also gave to the House a detailed report of the possible use of railroad lines for rapid transit, including the moneys that the railroads were asking to convert these railroad lines to communities—

**Hon. Mr. MacNaughton:** That is correct.

**Mr. Ben:** The construction or re-laying of the road beds for passenger service; the conversion of station platforms to passenger service; and those costs are recorded in Hansard?

**Hon. Mr. MacNaughton:** Correct. Yes.

**Mr. Ben:** Fine. And did not the MTARTS report include an investigation of the utilization of these railroad lines in the Metropolitan Toronto region transportation study?

**Hon. Mr. MacNaughton:** Yes, it did. The consultants who wrote those reports indicated the rail lines that radiated from Metro. They did not—

**Mr. Ben:** So why are you telling the poor member for Yorkview and telling me you are going to have another study? All you have been doing for the last 10 years is studying, studying and studying the blessed thing.

**Hon. Mr. MacNaughton:** I think the hon. member understands the extent to which study is required. That report outlined the possibilities. It indicated the rail lines that were converging; it also evaluated them in terms of their proper development for rail line purposes. If the hon. member reads the report, some lines had more potential than others did.

**Mr. Ben:** I read the report, Mr. Minister, because in 1963 I submitted a report to Metro council, just when you came down with your report. That is why I remembered the MacNaughton report.

**Hon. Mr. MacNaughton:** You can call it anything you like; it does not really matter to me.

**Mr. Ben:** Still it was a detailed report—

**Hon. Mr. MacNaughton:** It was a detailed report.

**Mr. Ben:** —on the study made by your committee—

**Hon. Mr. MacNaughton:** Yes.

**Mr. Ben:** —on the utilization of the existing rail lines.

**Hon. Mr. MacNaughton:** Mr. Chairman, I have admitted that already.

**Mr. Ben:** Okay, fine!

But the point I stressed just now was that it was a detailed report.

**Hon. Mr. MacNaughton:** No, no, no!

**Mr. Ben:** And the then Prime Minister based his remarks I daresay to some extent, on your report—at least I hope he read it—when he was discussing the possibility of GO Transit. This was at the time when there was a great endeavour to extend GO Transit north parallel to Yonge Street. If the minister will recall, the then Prime Minister gave a cost rundown—

**Hon. Mr. MacNaughton:** Exactly!

**Mr. Ben:** What it would cost. I remember commenting on what I deemed to be the exorbitant cost to convert railroad lines—some \$90 million for one line. I said it was fantastic; that we did not want to buy the railroad, we just wanted to lease the right of way. Maybe you have forgotten about that?

**Hon. Mr. MacNaughton:** There were some exorbitant costs indicated in that. Based on the information that we had at that time, those costs were quite right.

**Mr. Ben:** Quite what? Quite high?

**Hon. Mr. MacNaughton:** No. The level of costs, high as they were, based on the information that we established those reports on, was accurate.

**Mr. Ben:** But nevertheless very high.

**Hon. Mr. MacNaughton:** Very high!

**Mr. Ben:** Costly; yes.

**Hon. Mr. MacNaughton:** But I would have to say that we relied on the railroad itself for some of the information and I have some reason to believe—

**Mr. Young:** That was inflated.

**Hon. Mr. MacNaughton:** Yes, that is the word. Those figures were inflated.

You see we are not railroad engineers. We have to rely on the railroads for some of the factual engineering information, construction information, that is required.

But let me point this out to the hon. member. We built the lakeshore line as an experimental line. At that point in time we said that it would be experimental for a period of three to five years so we could make the determinations that we would need to get on with the rest of it.

We have learned much from the lakeshore line. We have learned much about all the costs, you might say. We have the purse; so we did some of the work and the railroad did the rest of it under an agreement; so that, as I say, by now we have learned a great deal.

**Mr. Ben:** How much is it costing us? Are we running into the red or—

**Hon. Mr. MacNaughton:** No, we still have a nominal deficit. The volume has increased to the point where the deficit has declined, but there is still a deficit. The capital cost—

**Mr. Ben:** What is the nominal deficit in your terms?

**Hon. Mr. MacNaughton:** I believe it is still running at about \$2 million for operational purposes.

But the capital costs were exorbitant. They were very exorbitant for that line.

**Mr. Young:** How many people per day?

**Hon. Mr. MacNaughton:** They are up to about 18,000 to 20,000 a day. Mr. Howard is here—

**Mr. W. T. Howard** (Head, Transit Operations): It is 19,000.

**Hon. Mr. MacNaughton:** It is 19,000. Well then, 18,000 to 20,000 is not bad. The line was—

**Mr. Ben:** You said 19,000 a day, Mr. Minister. That is 10,000 passenger moving two ways?

**Hon. Mr. MacNaughton:** That is correct. The line was projected at that time on an estimated volume of 12,000. At that point, any increase in volume and any extension of trips beyond an estimated trip-averaged mileage, any extension of that of course, obviously benefits the operation.

**Mr. Ben:** You are running GO from Toronto to Hamilton, are you not?

**Hon. Mr. MacNaughton:** By bus, yes.

**Mr. Ben:** All you are carrying is roughly 10,000 passengers a day during those five—

**Hon. Mr. MacNaughton:** Each way.

**Mr. Ben:** Each way, yes.

**Hon. Mr. MacNaughton:** That is right. The experiment has been a success but, I can tell you, a costly one.

However, I think it is warranted because of the service provided.

If you believe in these things as instruments for development, we sure as the devil got development in the west sector and the east sector where the line operates. There is no question about that.

**Mr. Ben:** Mr. Minister, can you not get tough with the railroads? They have special tax concessions on their rights of way. They are originally—

**Hon. Mr. MacNaughton:** You can get tough with the railroads all you like, but unless you get some federal help on it, you do not get very far.

**Mr. Ben:** What you can do is tax the rights of way for their full, highest potential.

**Hon. Mr. MacNaughton:** I am not too sure we can do that under The Railway Act of Canada.

**Mr. Ben:** Oh yes you can.

**Hon. Mr. MacNaughton:** I am not too sure we can.

**Mr. Haggerty:** There are a lot of tax concessions to the railroads.

**Hon. Mr. MacNaughton:** Well there are some, but I am not too sure they go as far as—

**Mr. Ben:** You give a lot of tax concessions and there is a lot of property owned by the railroads. You could tax them for the full, highest commercial value. They were getting exemptions, as they were at the Royal York Hotel and finally we got permission from you to change the exemption.

Do you recall, Mr. Minister, that the city of Toronto had a deuce of a time with your government up here to get permission to tax the hotel, the Royal York Hotel, because it was railroad-owned?

**Hon. Mr. MacNaughton:** Yes, they got it though.

**Mr. Ben:** We finally got it, which implies that we have to come up here to get authority to do it—rather they had to come up here.

I think one of the ways you can force them into supplying better service for passenger traffic is to start taxing the land at its highest commercial potential, and then give them abatement in the taxes in consideration for the services that they supply to the public. Look at the right of way where your GO Train runs, Mr. Minister, from Toronto westward. I only speak of Toronto westward; I presume the same thing probably applies eastward, but I am familiar with the west leg. Your train is almost the only passenger train running these days.

**Hon. Mr. MacNaughton:** Yes.

**Mr. Ben:** Yet they have got six rails running into the city there.

**Hon. Mr. MacNaughton:** They pay some taxes now, there is no question about that.

**Mr. Ben:** Now they pay some taxes?

**Hon. Mr. MacNaughton:** They do pay some taxes, but whether they would match the type of tax on other properties I am not sure.

**Mr. Ben:** If they are not using those rails they should tear them up and the land should revert to the community through which it passes leaving only a track for your GO Train.

**Hon. Mr. MacNaughton:** On the lakeshore line? I do not want the hon. member to get into a position of oversimplifying this situation because it is not that simple. Are you suggesting that surplus tracks on the lakeshore line be taken up? There are no surplus tracks there.

**Mr. Ben:** I am suggesting that where the railroad has ceased to provide adequate service to the residents in the way of passenger service we ought to cancel their right to have a right of way over that. What they are trying to say is they are only going to run freight service and not passenger service. We can tell them we will run a freight service with automobiles. You cannot expropriate it but you can sure tax.

**Mr. Haggerty:** In other words, tax their trucks on the highway.

**Hon. Mr. MacNaughton:** We do.

**Mr. Ben:** Tax the railroads where they fail to supply passenger service. They received 25 million acres of land—

**Hon. Mr. MacNaughton:** We now tax them harder than anybody else!

**Mr. Ben** —to provide passenger services in this country.

**Mr. R. G. Hodgson (Victoria-Haliburton):** It is a pretty arbitrary sort of action.

**Mr. Ben:** Sure it is an arbitrary sort of action. It calls for an arbitrary sort of action. Their action is pretty arbitrary, too, when service is discontinued. We have transportation in Metropolitan Toronto area, but if you people are not concerned in supplying adequate passenger service to the people outside the Metropolitan area say so, do not talk about arbitrary action.

**Hon. Mr. MacNaughton:** What do you mean, we are not concerned?

**Mr. Ben:** Well you are certainly not showing it.

**Hon. Mr. MacNaughton:** Concerned about this?

**Mr. Ben:** Not "this". I am talking about the Metropolitan area. I do not agree with the hon. member for Yorkview that by supplying the parking lot up there near Highway 400 and the Finch station, or wherever it is, that people coming in are going to leave their cars and hop onto one of your passenger trains and come downtown regardless of what the right of way is. If they come this far in a car they are going to go all the way.

**Hon. Mr. MacNaughton:** They do it on the lakeshore line, why would they not do it on this one?

**Mr. Ben:** Those are commuters who work in the city.

**Mr. N. Whitney (Prince Edward-Lennox):** They do it at Pickering.

**Hon. Mr. MacNaughton:** Well there are a lot of those people who work in the city.

**Mr. Ben:** Very few that come down the 400. Very small numbers. And if that is so, then your rails should be carrying more than 10,000 passengers a day.



**Hon. Mr. MacNaughton:** Well, I do not know that those statements are altogether valid. We have had some experience in this business I can assure you. We only occupy 16 per cent of the wheelage on the lakeshore line now, the rest of it is taken up by freight movements, more or less.

**Mr. Ben:** This is the point I am trying to make, Mr. Minister, that you in essence are running the passenger service, about the only effective passenger service presently being operated in the Province of Ontario. But you have just said the rest of the wheelage is taken up by freight service.

**Hon. Mr. MacNaughton:** Correct.

**Mr. Ben:** More or less, again to use your phrase. I think this is deplorable that the railroads which were originally given great inducements and fantastic privileges in order to supply transportation systems, both freight and passenger, for the people of Canada, who now have a mammoth, marathon corporation, which is worth a fantastic sum in billions of dollars—

**Hon. Mr. MacNaughton:** Do you not believe then that—

**Mr. Ben:** —can thumb its nose at all the governments of this province and say: "Well we are only going to operate the lucrative aspects of railroading or else we are going to start capitalizing on the wealth from the 25 million acres or more of land we got. You people can run the passenger service." They are throwing you the dirty end of the stick and saying: "Here, you operate the non-profit-making aspects."

**Hon. Mr. MacNaughton:** Well I agree with that, but I suggest that all this should be said to Mr. Pickersgill who regulates this sort of thing. We have no authority for this.

**Mr. Ben:** Pickersgill has made such a little kingdom for himself with the bill he introduced himself—I do not know how he blackmailed the government. But I will tell you this. I heard on good authority that the good Lord Himself needs an appointment to speak to Pickersgill.

**Mr. R. G. Hodgson:** I do not think he was minister at the time.

**Mr. Ben:** You are darn right he was.

**Hon. Mr. MacNaughton:** Well they have not seen fit to change it down there.

**Mr. Ben:** You are afraid of him.

**Mr. Haggerty:** Mr. Minister, have you applied to the federal Ministry of Transport for subsidy on your commuter systems here?

**Hon. Mr. MacNaughton:** Yes, we have. The thing that triggered this—and to some extent in the minds of the government—was the statement by the late president of the committee of national railroads who said some of these lines should be taken up for commuter services. We went about it in that manner, but to this day we have had no financial input into it at all, absolutely none.

**Mr. Ben:** Mind you, Mr. Minister, let us face it. You have 10,000 passengers using that particular line. You say 19,000 trips. But in essence, let us face it, it is 20,000 passengers.

**Hon. Mr. MacNaughton:** Well, that is so.

**Mr. Ben:** For most of them it is two-way traffic, so it is one passenger moving two ways—that gives you 20,000 trips. That is a very large number to be using that particular railroad line.

If that is all the people who want to come to Toronto there is nothing you can do about it. But when you consider three radio stations in this city have helicopters up in the air every morning and every evening to guide traffic in and out of Toronto because three lanes of the Queen Elizabeth Way are jammed with traffic coming in and going out, considerably more people are still coming into the city by automobile than are coming in by your GO train.

What you are going to do about it or what can be done about it, I am not prepared to argue with you here at the present time. The fact is that you have not tapped, you have barely tapped, the possible market for passengers on the GO train.

Maybe you had better add something else on it—maybe a rock and roll band or some Playboy girls or something else like that. Obviously what you have now is not inducing very many people to leave the automobile and come to Toronto by GO Transit.

**Mr. Haggerty:** If they had coffee.

**Mr. Young:** What is the capacity of the GO Transit line at the present moment? If you were running at full capacity, how many people could you move?

**Mr. Howard:** About 22,000.

**Mr. Young:** So, we are almost to capacity now? That is, you cannot put more trains on. Your headway is such that this is about the capacity of the present line?

**Hon. Mr. MacNaughton:** There is a very substantial mix of freight traffic on there.

**Mr. Young:** So what you need is your own line to be efficient? If you had your own line then what would your capacity be?

**Hon. Mr. MacNaughton:** We could shorten the headways, there is no question about that.

**Mr. Young:** Twice?

**Hon. Mr. MacNaughton:** I would think probably twice. Maybe more.

**Mr. Young:** And this is what is needed, a genuine rapid transit service.

**Hon. Mr. MacNaughton:** Then you get involved in more trains, more equipment, and so on. We operate on a 20-minute headway, and with the mix in traffic that is the best we can do.

**Mr. Ben:** Have you considered running bus services to the degree that you are running transit systems now, actually buying stock and running a bus service?

**Hon. Mr. MacNaughton:** We have already bought bus—

**Mr. Ben:** You have, have you? How many?

**Hon. Mr. MacNaughton:** We have agreement with the Gray Coach company to associate with us in GO Transit and extensions. The one you mentioned from Burlington to Hamilton is carried that way. We have about 20 buses.

**Mr. Ben:** You have purchased 20 buses already.

**Hon. Mr. MacNaughton:** We purchased these buses.

**Mr. Ben:** And where is the first line on which you propose to use these buses?

**Hon. Mr. MacNaughton:** We use them to go north now. That was explained in the Legislature.

**Mr. Ben:** Yes, well that was the first. The one that parallels the—

**Hon. Mr. MacNaughton:** And we use them on the Hamilton end and we use them to some extent on the Oshawa area.

**Mr. Ben:** And how many passengers are you carrying on those?

**Hon. Mr. MacNaughton:** I do not know. It is increasing all the time. Mr. Howard, do you have those figures?

**Mr. Ben:** This is the use that the former Prime Minister announced in the House when he made his statement.

**Hon. Mr. MacNaughton:** That is right. At that time it was the only manner of extension we could really consider. What I said in response to the hon. member for Yorkview indicates the extent that now we at least have the federal government as participants in the study that will be required.

**Mr. Ben:** You will forgive me—you yourself, or somebody, mentioned you cannot be in two places at once, but was there a discussion during my absence from this committee on the monorail?

**Hon. Mr. MacNaughton:** Well there was a discussion on the possibility of a variety of modes. This is a good time to say to you and probably the hon. member for Yorkview some of these rights of way would very well lend themselves to the experimental type of train, and at much less expense if we had control of the rights of way.

**Mr. Ben:** Have you had any discussions with the federal government?

**Mr. Young:** Call in expropriation.

**Hon. Mr. MacNaughton:** I do not know whether you can expropriate from a federal government or not, or any agency of a federal government. I do not think you can.

**Mr. Ben:** Well the CNR has to get co-operation from the federal government—

**Mr. Young:** You would have to get a new government in Ottawa.

**Hon. Mr. MacNaughton:** I guess I would share that point of view up to a point.

**Mr. Ben:** Have you discussed with the federal government the prospects—

**Hon. Mr. MacNaughton:** We can give you some figures. They would be of interest to the member for Humber.

**Mr. Ben:** All right. Before you give me the figures have you discussed with the federal government the possibility of obtaining a right of way over the railroad right of way

to be used exclusively for something like a monorail?

**Hon. Mr. MacNaughton:** Yes we have. That is the particular reference I made to the Weston line. That was indicated to us as a possibility for air rights, if you wish, over the operative line.

**Mr. Ben:** What was the result of your discussions?

**Hon. Mr. MacNaughton:** He said it was well within the realms of possibility.

**Mr. Ben:** When was this discussion held?

**Hon. Mr. MacNaughton:** About 10 days ago.

**Mr. Ben:** That breaks it all right. Let us hear those figures.

**Mr. Howard:** The figures on the Oshawa route show an increase over the preceding year, when there was only Gray Coach operating, by about 20 per cent. The totals are: Between Oshawa and the Pickering station, we are carrying an average of 1,017 each week day; on the Hamilton route, between Hamilton and Oakville, a total of approximately 650 passengers each week day; and on the Newmarket route, we are carrying a total—

**Mr. Ben:** What was the name of the last route?

**Mr. Howard:** Newmarket—of 1,926 passengers per day. This is a week day average.

**Mr. Ben:** This is the route that Mr. Metcalfe insisted could be self-sustaining. It had the best passenger traffic of the three, did it not?

**Hon. Mr. MacNaughton:** That was a one-day experiment and I could tell you in some detail that that was not a viable experiment.

**Mr. Ben:** At any rate you are carrying 1,926 daily?

**Hon. Mr. MacNaughton:** That is right.

**Mr. Ben:** Which is more than he had on his train.

**Hon. Mr. MacNaughton:** That was not a viable experiment when you consider in that term—

**Mr. Ben:** Of course it was not a viable experiment because of the fact that he tried to get as many people as he could on a trip.

It is like getting the last steamer rolling up to Haliburton or something.

**Hon. Mr. MacNaughton:** That is right.

**Mr. Ben:** The fact remains, however, that of the three routes you are presently running with buses—the Oshawa-Pickering route, the Oakville route and the Newmarket-Toronto route—of those routes, the Newmarket route is carrying the most passengers. Mr. Metcalfe insisted that you could; that there were sufficient people interested in using public transit to come to Toronto which would make the route viable and self-sustaining and he is proved right. At least it is the most lucrative, or should be the most lucrative route with the number of passengers.

**Hon. Mr. MacNaughton:** The hon. member makes assertions, he does not ask questions. Now I do not know whether—

**Mr. Ben:** Rhetorical questions!

**Hon. Mr. MacNaughton:** Rhetorical questions or whatever you call them—I do not know whether I can accept those because they are not based on fact.

We have made surveys of all these lines and we have determined, by proper survey methods, what the potential might be. These figures are not reaching the potential that a good service might provide. A good rail service might provide more.

To say boldly that it can be done is hardly enough; we have to research this in terms of who will use the service if it is there and we have methods of doing that that stand up pretty well. But those figures there would not support a rail operation and that is for sure.

**Mr. Ben:** One thing has stood out and that is John Metcalfe's statement that there were sufficient persons in Newmarket—well not even Newmarket, at that time he said the Barrie to Toronto area—who would be prepared to use public transit if a public transit system was supplied. When I say public transit I do not necessarily mean subways, but a public transit system.

**Hon. Mr. MacNaughton:** We have no quarrel with that.

**Mr. Ben:** He has adequately demonstrated this because you are running 1,926 passengers a day and you yourself admitted there is a greater potential.

**Hon. Mr. MacNaughton:** There is a greater potential.



**Mr. Ben:** So he was right! That is all I am saying.

**Hon. Mr. MacNaughton:** We have never quarrelled with that side of the picture.

**Mr. Ben:** I am glad to hear that. The next time I am talking to him I will tell him that the Minister of Transportation and Communications—

**Hon. Mr. MacNaughton:** We were involved in it long before he was.

**Mr. Ben:** Oh, for—

**Hon. Mr. MacNaughton:** We were! Of course we were. We have had these potentiality surveys made long before he ran that train.

**Mr. Ben:** As I say, I admit that you were the chairman of a committee known as the MacNaughton committee that studied these things, but I regret extremely finding out every so often that although I consider it a good report you have never seen fit to reread it.

**Hon. Mr. MacNaughton:** Reread it?

**Mr. Ben:** Yes. I think you have forgotten what was in it.

**Hon. Mr. MacNaughton:** I have read it enough times now.

**Mr. Ben:** When the hon. member for Yorkview was talking, it seemed to have slipped your mind that all that he was talking about you had looked into yourself and had reported on it.

**Hon. Mr. MacNaughton:** I agreed with him. I did not argue with him.

**Mr. Ben:** You seem to have forgotten—

**Hon. Mr. MacNaughton:** That is because I have read the report.

**Mr. Ben:** You read the report? Well, I doubt it. I think you probably had somebody sign your name on it and you filed it away and you have not read it since. I charge you to read it. It is a good report even though you had something to do with it.

**Hon. Mr. MacNaughton:** We had a hand in writing it, so I guess it must be a good report.

**Mr. Ben:** I do not know if you had a hand in writing it. Maybe your secretary typed it.

**Mr. Chairman:** Is vote 804 carried?

**Mr. D. M. Deacon (York Centre):** Mr. Chairman, what are the daily passenger counts now on the east-west lakeshore system?

**Hon. Mr. MacNaughton:** They are running 20,000 trips.

**Mr. Deacon:** They are running about 20,000 daily now?

**Mr. Howard:** It is 19,000.

**Hon. Mr. MacNaughton:** All right, 19,000 then. I like to round the figures out once in a while.

**Mr. Deacon:** It started off with 16,000 and is now up to 19,000?

**Hon. Mr. MacNaughton:** No, it started off much lower than that.

**Mr. Deacon:** Well, it got up to 16,000 within about three months, two or three months, of initiation. I feel that is not too far off when I say it started off with 16,000. That was very much in line with your estimate.

**Hon. Mr. MacNaughton:** We put the service into operation on a projected 12,000 so—

**Mr. Deacon:** I think you projected 12,000 up to about 19,000, a medium of around 15,000 or 16,000. I think you are pretty well on your estimate. I remember seeing some of the studies on it.

**Hon. Mr. MacNaughton:** We are not far off.

**Mr. Deacon:** What I would like to find out is what has been done about the scheduling so that we can speed up the service on the lakeshore.

**Hon. Mr. MacNaughton:** I explained that to the member for Humber. There is altogether too much freight traffic on there now to shorten the headway time by anything appreciable.

**Mr. Deacon:** I am talking not about the headway time as much as the actual skip scheduling programme so that we can bunch trains and put them in with the heaviest groupings on arrival times.

**Hon. Mr. MacNaughton:** Mr. Howard, are we not doing that now within the limits possible? A straight schedule.

**Mr. Deacon:** I think this is the important thing the department must remember in this

whole question; I hope it will. Has the department made a survey of the times of arrival desired by people who are now using it and what others in the area would like it to be; ignoring what the CN now has in the way of openings according to their scheduling, but based on what you need to serve your market and to serve it fast?

I point out that the CPR lakeshore service in Montreal was redesigned about five years ago after they decided that they were not going to be able to get rid of that operation. They redesigned it and reduced the number of stops that were being made by the trains. What they now do is have three trains arrive in maybe a minute and a half, one after the other; the last train coming in having gone the longest distance but having picked up only at one-third of the stations; the middle train having picked up at one-third of the stations; and the first train at a third of the stations. In doing so they can eliminate a lot of the stop time and the annoyance the passengers have at having to stop at every station en route. They make express trains out of the two distant ones.

In doing this they have speeded up their service by 10 to 15 minutes, actually 20 minutes on the trips from Hudson, and have attracted a great deal more traffic because they have speeded up the service. Now has the department done a survey—

**Hon. Mr. MacNaughton:** I am going to find out for you in a minute. Have we done anything on this matter?

**Mr. Howard:** What we have done to date is only adjust makeup on each individual train to accommodate the fluctuating demand by station. We have found in our discussions with the railway that they are not at this time prepared to make changes in the allotted times and the allotted slots in the peak periods that we are presently assigned.

We do have a capacity problem during the peak hours and all we have been able to do is to adjust makeup to reflect the fluctuating demand by station. In discussing the possibility of skip stops with the railway, they have indicated that they would create more problems than already exist, particularly on the Oakville subdivision where the heaviest density of traffic prevails.

**Mr. Deacon:** I again come back, Mr. Chairman—we are having the tail wag the dog here.

The CN is not doing what it should be doing to help you solve your problem and

the minister, I suggest and I hope, will work out what is needed to meet his transportation—I mean his transportation problems—and then go to Ottawa to present those needs before them.

If the CN has a problem that they cannot solve, maybe Ottawa will help them solve it; but I think it is terrible that we are having to fit in after the CN needs are met. It should be the other way around.

They have the public rights of way. We have done more than our share. I think this government has done far more than its share with regard to this whole GO Transit situation. I urge the minister to develop what is needed to maximize the utilization and the patronage of that system by rescheduling and improving the scheduling, because that growth from 16,000 over three years to 19,000 is not as impressive as I think it could be if we were to really improve that system; and I mean improve it by reducing travel time.

There are some other suggestions I want to make in this, but I am concerned about the fact we are not doing something because the CN is saying they have a problem.

**Hon. Mr. MacNaughton:** There may be an element of truth in what the hon. member says, but it has been in reverse context up until now. We have made many approaches to the railroad. You have to start from the premise that they still own the right of way and the rails.

There is a section of the rails certainly, west of Toronto—I do not know whether it applies east of Toronto—where the CPR has joint running rights over those rails. That is by an agreement between the two railroads and that compounds the problem to some extent, because one party to the agreement cannot make the decision; it takes two parties.

We have pursued these things, and we have pursued them very vigorously. That is why I was happy to say to the hon. member for Yorkview that we appear to have at least a breakthrough now, because we have a representative assigned by the Minister of Transport to work on the task force that is studying this.

It appears we may be getting somewhere and we are happy about it. We are very happy. This is a three-way arrangement, with Metro, ourselves, and at this point in time the federal Ministry of Transport. It is an opening at least that we have not had up



until this time, and that is why we are happy about it.

**Mr. Deacon:** Yes, I am glad you are happy and I am glad you are co-operating with the federal government and Mr. Campbell on this.

**Hon. Mr. MacNaughton:** We will co-operate, and we have tried to. In this instance, it takes three to dance, not just two.

**Mr. Deacon:** I agree, but really the Minister of Transportation in this province is the one who has to take the blame when things do not work right; therefore I urge the Minister of Transportation in this province to really put the pressure on Ottawa to do what it can do.

**Hon. Mr. MacNaughton:** You may rest assured.

**Mr. Deacon:** Ottawa has the Board of Transport Commissioners, which can order and direct and change these things, and if they cannot, legislation can be changed in Ottawa.

My Ottawa colleagues tell me that they hear very little from people about the problems of railway passenger service. People direct their complaints here to the province; they think you are responsible. I think it is time that we made their responsibility very clear to Ottawa—I charge the minister in the past has not done enough in this regard. I hope in the future he will go to Ottawa armed with the facts as to what his needs are. Those rail lines are public rights of way; the railways may have them and own them, but we have the right to take them over if we want to.

If the government of this country decides it must do it in order to serve the people, it will do so, I am sure.

**Hon. Mr. MacNaughton:** You mean the government of Canada?

**Mr. Deacon:** The government of Canada. And I suggest to the minister that he make it quite clear to the government of Canada that our needs here are not being served by the way the railways have been acting in the past. Here we have the director of our GO system being told by the railways that they cannot consider adjusting schedules to properly serve the people's needs because they have their other traffic problems. I suggest, Mr. Minister, that the problem should be laid in the hands of the federal Ministry of Transport for solution.

I am glad you have got this survey started, and I hope that within three months or so there will be some real action to correct the whole thrust here so that when we have a problem we will work through the Ottawa government to see that the railways do what they are supposed to do; that is to serve the public need first.

Now, have we instituted monthly passes or monthly fares yet?

**Mr. Howard:** Yes, we introduced a semi-automatic monthly ticket-by-mail plan last April 1.

**Mr. Deacon:** And what sort of response has there been?

**Mr. Howard:** We had response of about 10 per cent of our total patrons in the first few months; this has now declined because of the summer. In addition to that, our students are carried on a monthly pass as well. So including the students, we probably had 15 per cent of our total patrons on the first response.

**Mr. Deacon:** What is the differential on the rate for the monthly pass compared to the regular fare? What is the saving?

**Mr. Howard:** It is a five per cent reduction on a 40-trip ticket. In other words, you take a commuter rate and then reduce that by five per cent.

**Mr. Deacon:** If you take a commuter rate and reduce it by five per cent—that is right. But every rate on the GO Transit is a commuter rate anyway.

**Mr. Howard:** No, we have two fares. We have a single fare, then a commuter ticket as well.

**Mr. Deacon:** What is the difference between the single fare and the monthly fare?

**Mr. Howard:** About 10 per cent. The commuter fare represents a 10 per cent reduction from the single fare and there is a further five per cent reduction on the monthly pass.

**Mr. Deacon:** The total reduction from the regular fare is roughly 15 per cent. The reason I ask is that it is very low percentage that is utilizing the monthly pass, compared with the Chicago and North Western, which has between 55 per cent and 60 per cent utilizing the monthly pass. I am not sure of the differential in their rates, but I think it is quite a bit greater than ours. They have a 25-trip deal—I think it is for round trips—and they have a single deal, plus they have the



monthly pass. But they are up to around 55 per cent on the monthly pass.

Because of their ticketing situation—they do not have ticket collectors at the stations; they collect on the train and save themselves a considerable amount by so doing—they have also reduced the actual problem of collecting tickets on the train by having such a high percentage of their people using the pass.

They may have a greater discount, but would it not be useful to study what they have done to get such a high utilization? I am surprised that we are at such a low point.

**Mr. Howard:** I think one of the reasons—we had an indication when we asked quite a number of our patrons why they had not subscribed at the beginning—is that this ticket is only good for people who intend to use it for the highest percentage of a month. If they do not make use of this ticket, they are better to buy a book of 10 tickets.

In the summer months people are taking vacations and this sort of thing, and it is not to their advantage to purchase a flash-card ticket. We are quite confident that when we get back into the fall again and our regular commuters are back up to our normal carriage we will have a much higher percentage of our total patrons.

**Mr. Deacon:** That monthly pass can be used any day of the week and on any train, can it not?

**Mr. Howard:** That is correct. It can be used at any time.

**Mr. Deacon:** Fine. But I would ask, as I suggested, that there be a check of the situation after a month or two of the fall, and if there has not been a dramatic increase, that Mr. Howard study the situation and see what is happening.

**Hon. Mr. MacNaughton:** We will have the commuter students back then too, which will make a substantial difference.

**Mr. Deacon:** It would make a big difference if we could do this: Also we might be able to consider changing our ticketing procedures, instead of having to go through the turnstiles, which brings up another point that presents a problem.

If you are getting off the train at Clarkson now, the new train that has been put on, the new train comes in just before the second ticket-taker comes on and it takes people quite a long time to get through. They have

150 people going through one ticket-taker since that extra train has been put on now. That almost spoils some of the advantages of taking an earlier train.

I suggest that it is these delays and aggravations that can destroy the support and the commendation that you rightly have earned for much of the work in the past. I think the reason for having only one ticket-taker in this case was because they would have to pay some overtime to somebody for half an hour, but it is just an aggravation.

**Mr. Howard:** Yes, it was a case of shift adjustments because of adding that one later train. We are trying to cut down, as you are quite well aware, on the number of people we have collecting at the station, and we made an adjustment in the shift work to accommodate that later train. But we realize there is a problem there in the exiting in the evening, and we are looking at this now to see how it can be rectified.

**Mr. Deacon:** Right. Perhaps we could consider completely changing our ticketing system and, especially if we could get a high degree of monthly passes in use we could go to the traditional method.

**Hon. Mr. MacNaughton:** We have examined the electronic ticketing process. It had enough bugs in it when we did, but we are certainly going to pursue that again.

**Mr. Deacon:** Even by the traditional way of collecting tickets on trains, we could save a lot of costs. The comparison of costs between the Chicago and North Western and our own setup shows that to be one of the major areas of discrepancy between the two.

**Hon. Mr. MacNaughton:** That was one of the systems we studied before we implemented the service. We have had much good advice from the Chicago and North Western; it is regarded as the best there is.

**Mr. Deacon:** But we did not adopt their ticketing procedure in that case.

**Hon. Mr. MacNaughton:** No, we did not.

**Mr. Deacon:** I think we followed the TTC, and I do not know the reason, because we just do not have the frequency of trains to justify that.

**Hon. Mr. MacNaughton:** I think that is possibly right.

**Mr. Deacon:** The next area was the matter of the bus runs. Are we getting any checks

on the times the buses arrive on schedule? My observation, at the times I have used the buses, is that they are anywhere from 10 to 15 minutes behind schedule between Richmond Hill and Toronto terminals in rush hour.

**Mr. Howard:** Yes, we do get a daily report on all bus arrivals and we do a very close check. We have found in our experience, since we have allied ourselves with Gray Coach Lines, that they have tended to be very optimistic in publishing of schedules, and—

**Mr. Deacon:** That is one way of describing it.

**Mr. Howard:** —now that we ourselves set these schedules for all of the combined services on the three corridors we hope to be more realistic in the actual publishing of schedules. If we cannot make the times that have been published in the past we will adjust the schedules accordingly.

**Mr. Deacon:** What are you finding the scheduled time between the Dundas terminal and Richmond Hill in, say, the rush-hour period, to be?

**Mr. Howard:** I would say we probably experience it to be 10 minutes more than is published in the schedule.

**Mr. Deacon:** Yes, and I think that is published as an hour. It depends on the bus, but mostly around an hour, is it? I do not have the schedule with me and I cannot quite recall.

**Mr. Howard:** One hour and 10 minutes.

**Mr. Deacon:** One hour and 10 minutes. So that makes it one hour and 20 minutes to Richmond Hill by the GO bus in rush hour.

**Mr. Howard:** No, I am sorry. I was giving you the Newmarket time. The time from Richmond Hill is published at 50 minutes.

**Mr. Deacon:** So it is running about an hour? I think about an hour is the time I can remember; but the train running time is 28 minutes on the Northland from Richmond Hill station to Union Station.

The train counts that we continue to get, and I have been getting some copies of the train movements on that line as well as on the Maple line, show there are very few. There is the occasional freight, a short freight they run down from the CN cross line into Toronto in the morning, but very seldom is

that track in use during the rush-hour period. It is during the rush-hour period that the province had hoped to institute three trains in the morning and three trains at night.

I suggest that the province, in view of the remarkable patronage of 1,926 passengers a day despite that slow bus trip, should again include in their discussions with Ottawa changing the rush-hour buses to the trains for that period. This could cut half an hour off running time.

There are a lot of people we would lose, of course, who are now getting off en route, but I say that would be more than offset by the number of people who would now start to use it. They could get downtown faster than by car and that is the key thing. You have to remember that people want to sleep as long as they can in the morning and get home as soon as they can at night.

**Hon. Mr. MacNaughton:** Well, that is the other line being dealt with that I referred to as being in our discussions of 10 days ago with the vice-president of the Canadian National Railways; and he feels there are more opportunities on that line for rail services now than there were before.

**Mr. Deacon:** Yes; again I urge the—

**Hon. Mr. MacNaughton:** I say that because we do keep in touch with the railroad.

**Mr. Deacon:** I agree it is good to keep in touch with the railroad but I also urge the minister to press hard through Ottawa, because that is where the decisions are made.

**Hon. Mr. MacNaughton:** Right! Now that they have decided to come on board in the context that I have described, we now think we have an opportunity to push harder.

**Mr. Deacon:** They keep on saying they were never asked. Maybe that is wrong; perhaps you have been pushing them, but they say you really did not press them very hard on the subject. Maybe they do not understand pressure as you would understand it.

**Hon. Mr. MacNaughton:** It may be that the levels that we are pushing are not relating to the private members from Toronto, from Metro down there too. That is a possibility.

**Mr. Young:** Then start kicking and screaming when you want anything.

**Hon. Mr. MacNaughton:** We would be happy to have more help from the Metro



representatives in the House of Commons, I can assure you.

**Mr. Deacon:** You will have all the help that the representatives here and in the House of Commons in Ottawa can give you. I can assure you this matter of transportation is really of such a concern and people are beginning to realize the emphasis—

**Hon. Mr. MacNaughton:** Without being critical of them I would suggest that they have the same facilities for research as you have obviously undertaken, so there is no reason they could not have done the same things that have led you and the hon. member for Yorkview to make the observations you do, and I have to quarrel with them on that score.

**Mr. Deacon:** My problem is, for one reason or another people have the impression that the problem is Ontario's problem, the responsibility is Ontario's responsibility, and they have not been complaining to their Ottawa members. And I think that the minister can help make people aware that Ottawa has a role to play here, and I am sure that Ottawa is prepared to play it, I really am.

**Hon. Mr. MacNaughton:** You are more optimistic than I am, but I am prepared to become optimistic.

**Mr. Deacon:** I think you will find that this study will show this. So I am hopeful then, Mr. Minister, that we are not holding back on this service, because we are concerned about encouraging development to the north. I am concerned about the people who are living in the north now. Whether our development plans for this province in the Toronto-centred region involve a new development or not, I think it is a matter of getting the traffic off our present highways. Below Richmond Hill our traffic jams are being aggravated by the people coming from the north—and if we can give them an express route that does not take 60 minutes but takes 28 minutes to get through that traffic—I suggest that we will have a great system.

**Hon. Mr. MacNaughton:** I agree with that. I agree with that wholeheartedly. Maybe we are on the verge of that now.

**Mr. Deacon:** With regard to the plan of the hon. member for Yorkview, I think we would find we would have a greater problem on the CP line. Our surveys show that the

CP line is much more heavily utilized than the CN line through Maple and Richmond Hill, but maybe in that area there will be justification for double tracking to Bolton, or some place like that.

But again, let us remember that if we put the problem in Ottawa we might be able to get subsidy support for a lot of this programme in the way they are doing it now for Stouffville. Yesterday was the first day with the Stouffville run. They are running the train 15 minutes slower than we believe they could run it. We are going to do our best to get it speeded up. We are also going to try to get the CN to implement a monthly pass. There is another factor the municipalities are planning to experiment with—and I think that Mr. Howard and others might examine it.

That is we are going to ask the local school bus operators to start their operation half an hour early and go through subdivisions with the school buses starting at 7 or 7:15 a.m., whatever the train time is, and getting to the station with whatever passengers they can pick up through the subdivisions. And you get four school buses, for example, operating in the four segments of Markham, for under an hour's extra time, the school bus drivers' extra time, and a very small running distance, this operation can provide a convenient service for pickup. And at night the same way, after they have left off their youngsters, the drivers come back and pick up the people from the passenger station and take them back.

This should provide us with a very low cost system of delivering passengers from these trains. I suggest that this is something else that might be looked into in other parts in relation to what we plan to try in Stouffville and Markham.

**Hon. Mr. MacNaughton:** That is not too far removed from what we are doing out in the east section with the dial-a-bus system, which is working very well.

**Mr. Deacon:** It is a little different—

**Hon. Mr. MacNaughton:** It is a little different, but it is in the same ball park.

**Mr. Deacon:** —in that we are using the same transportation system to carry commuters as we are using for carrying youngsters. I suggest that this is a good thing to look at because the youngsters' needs complement the other quite well. So, those are the main points I wanted to bring up.



**Mr. A. Carruthers (Durham):** We are using this system in my own community.

**Mr. Deacon:** I beg your pardon.

**Mr. Carruthers:** We are using this system in my own community. School buses are also operated on behalf of commuters and it is working very well.

**Mr. Deacon:** And tying in with which community, to Oshawa GO Transit?

**Mr. Carruthers:** No, I should not say commuter, because it is to the town of Port Hope, from the rural areas. There is no bus service, so the school bus that goes out with kindergarten children, picks up passengers, takes them in and brings them back out again in the afternoon.

**Mr. Deacon:** It is all part of the integrated transportation system in this province—

**Mr. Chairman:** Is vote 804 carried?

Vote 804 agreed to.

On vote 805:

**Mr. M. Gaunt (Huron-Bruce):** Just a minute now—gosh, you are really pushy, Mr. Chairman!

I wonder if I could ask the minister a few questions. I asked him about the chainsaw purchase programme and I do not want to get into that one again.

**Hon. Mr. MacNaughton:** Not on this vote anyway.

**Mr. Gaunt:** And I think we explored—Pardon.

**Hon. Mr. MacNaughton:** Not on this vote.

**Mr. A. T. C. McNab (Deputy Minister):** It is vote 805.

**Mr. Chairman:** Vote 805.

**Mr. Gaunt:** Well I think it would be under this vote.

**Hon. Mr. MacNaughton:** No, I did not realize we had skipped to vote 805. I am sorry.

**Mr. Gaunt:** Are we still on 803?

**Mr. Chairman:** No, we are on 805. It is regrettable that you were not here at the time.

**Mr. Gaunt:** Yes, yes; I regret that too!

In any case, I wonder how many trees the department has removed under this particular programme? One million, three hundred thousand dollars were set aside for it.

**Hon. Mr. MacNaughton:** We have removed 434,037 trees.

**Mr. Gaunt:** Four hundred and thirty-four thousand—

**Hon. Mr. MacNaughton:** —and thirty seven! No, I guess this is the extension of the programme. Change that figure. We have two figures. I want to use the best one I can. This is a better figure—566,668 trees.

**Mr. Gaunt:** Five hundred and sixty-six thousand, six hundred and eighty-six.

**Hon. Mr. MacNaughton:** —six hundred and sixty-eight.

**Mr. Gaunt:** Five hundred and sixty-six thousand, six hundred and sixty-eight. Mr. Chairman, I wonder does the department have any idea of how many dead elms there are in the Province? My information is that there are 15 million to 20 million. Pardon?

**Hon. Mr. MacNaughton:** I do not know. Lands and Forests would have the figures. I do not know what they are.

**Mr. Gaunt:** Well these figures came from Lands and Forests, as a matter of fact.

**Hon. Mr. MacNaughton:** Most of these so far have been removed from rights of way. I have some concern about the extent to which we could get farther onto property. How far did we go off 401?

**Mr. W. G. Wible (Engineering Division):** A quarter of a mile.

**Hon. Mr. MacNaughton:** Quarter of a mile.

**Mr. Gaunt:** And are you thinking in terms of next winter, extending the programme beyond the confines of Highways 401 and 400?

**Hon. Mr. MacNaughton:** Well yes, we have been cutting dead elm trees on our own rights of way for some years. This year we were provided with "X" number of funds. The government asked us to broaden our operations. With permission of the farmers, the property owners, we moved in a quarter of a mile from the highway.

Now I believe there are other programmes, too, are there not?

**Mr. Chairman:** Under The Department of Agriculture and Food.

**Mr. Gaunt:** Well there is the \$5 grant from The Department of Agriculture and Food. You mentioned that it is a continuing programme insofar as your own department is concerned—

**Hon. Mr. MacNaughton:** On our own rights of way.

**Mr. Gaunt:** On your own rights of way! And this \$1.3 million was a programme that was brought in and actually operated over and above the work which you usually do on your own normal rights of way?

**Hon. Mr. MacNaughton:** That is right.

**Mr. Gaunt:** Now then, do you have any idea as to the extent of the dead elm problem on your own rights of way? I mean are you fairly well caught up, have you removed most of these trees?

**Hon. Mr. MacNaughton:** Yes, pretty well. That has been going on for several years.

**Mr. Deacon:** What about the municipalities though?

**Hon. Mr. MacNaughton:** More than that. It has been going on for more than five years.

**Mr. Young:** Do you subsidize municipalities to remove dead elms?

**Hon. Mr. MacNaughton:** We gave unconditional grants to the municipalities this year, a dollar per capita, and many of them applied it for this purpose in their municipalities. Many of them did.

**Mr. Deacon:** That was just the seasonal unemployment.

**Hon. Mr. MacNaughton:** That is in the unemployment programme we had.

**Mr. Deacon:** Yes. But as far as the high-ways programme is concerned, you have not encouraged them by means of \$5 per tree.

**Hon. Mr. MacNaughton:** Who? the municipalities?

**Mr. Deacon:** Yes.

**Hon. Mr. MacNaughton:** Well they are subsidized anyway for that type of work on their rights of way. That would be considered maintenance.

**Mr. Deacon:** I have noticed that on many of the municipal roads around the province there are a lot of dead elms sitting by the edge, and if you drive along in a windstorm you just hope they do not happen to come apart at that moment.

**Hon. Mr. MacNaughton:** If it is on their right of way and they want to include that in their maintenance vote and their vote can be accepted in total terms, they can do that.

**Mr. Young:** What about the dead elms on private property?

**Hon. Mr. MacNaughton:** Other than the \$5 grant per tree that The Department of Agriculture and Food gives, I do not know of any other encouragement there. They give a \$5 per tree grant if a farmer wants to go and cut it down or if somebody else does.

**Mr. Young:** Does that apply in the cities as well?

**Hon. Mr. MacNaughton:** I cannot tell you that. It is an agriculture programme; I do not know. I think probably if it is an agriculture programme it would likely be confined to farms.

**Mr. Young:** So the person in the city who has a dead elm tree in his backyard may have a difficult time getting any help?

**Mr. McNab:** The \$5 would not help you there.

**Mr. Young:** It was \$150 in this case. They are big ones.

**Mr. Carruthers:** Does not the city—I had one case of this in Toronto and the city cut it down.

**Mr. Deacon:** It is not a right of way.

**Mr. Carruthers:** No, it is not a right of way, but they came and trimmed some of the limbs that were dangerous and then they came back and cut down the tree.

**Mr. Haggerty:** Ontario Hydro is very good this way. If there is an elm tree that is destroyed they will remove it.

**Mr. Young:** The city property goes back about 19 feet from the curb, and very often people think they have trees on their own property but it is really city property.

**Mr. Carruthers:** This was in the backyard.

**Mr. Young:** In the backyard? Well—

**Mr. Deacon:** Lucky fellow.

**Mr. Carruthers:** This programme just had so much money.

**Hon. Mr. MacNaughton:** Well, it served a double purpose. It got rid of the trees. They had the programme under the jurisdiction of The Department of Highways as it was then. There were 2,553 jobs created. They earned a gross of \$105 a week, so it helped. It provided a lot of fireplace wood. I have not got any of it yet but—

**Mr. R. G. Hodgson:** Have there been any trees replaced in areas where these trees have been cut?

**Hon. Mr. MacNaughton:** No. It was suggested, but—

**Mr. R. G. Hodgson:** You have quite a programme of planting trees on rights of way.

**Hon. Mr. MacNaughton:** But they are not necessarily going to be elm trees. They will be replaced.

**Mr. R. G. Hodgson:** But you have quite a programme of planting trees—

**Hon. Mr. MacNaughton:** Yes, it has been pointed out that we plant more trees than we cut down on our rights of way.

**Mr. R. G. Hodgson:** Is the planting of trees part of your seasonal employment programme?

**Hon. Mr. MacNaughton:** No, we have a forestry section in the department.

**Mr. Haggerty:** What type of trees do you plant?

**Hon. Mr. MacNaughton:** I see maple more than anything else.

**Mr. Chairman:** Is vote 805 carried?

**Mr. Gaunt:** Mr. Chairman, The Department of Lands and Forests has indicated that in their view, in order to remove all of the dead elms across the province we are going to have to spend, in all branches of government, something in the neighbourhood of \$10 million a year for the next 10 years, or for at least the next several years at the very minimum. I wonder if the department is going to actually extend the programme this coming winter—if any thought has been given to actually moving in and perhaps entering into an agreement with some of the municipalities, or

alternatively, the cutting along the highway—well, let us take the major highways in the province; how many feet did you say you were allowed to go into a property?

**Hon. Mr. MacNaughton:** We got permission to go in a quarter of a mile.

**Mr. Gaunt:** A quarter of a mile.

**Hon. Mr. MacNaughton:** We had to get permission in each instance from the owners.

**Mr. Gaunt:** Right. Would it be possible, or is it being considered—let me phrase it in those terms—that the department undertakes to do the same thing along all the major highways in the province, going in a quarter of a mile with permission to cut these trees?

**Hon. Mr. MacNaughton:** This programme was established as part of an overall programme to provide some relief from unemployment. It was worked out by a cabinet committee and we have followed the recommendations of the cabinet committee as concurred in by the government in this area.

What we may develop in that field in another year, I would not know. I think that this has to be more of a government programme than a single departmental programme if we are going to get off our own rights of way. I think that is quite appropriate.

At this point in time I cannot tell you. Presumably if this unemployment increases, and I hope that it does not, then in that area there will be a continuation of the programme in some form or other.

**Mr. Haggerty:** With municipalities?

**Hon. Mr. MacNaughton:** This is all a possibility. It is all a possibility. We did not tell them what to do with the unconditional grants that they got, but many of them chose to remove the dead elm trees.

**Mr. Young:** What happens to the wood after it is cut?

**Hon. Mr. MacNaughton:** If it is cut on the farmer's property, we leave it there. If he directs us to burn it, we will supervise the burning of it. If he tells us to pile it up and leave it there, we pile it up and leave it there.

**Mr. Young:** Yes, but dead elm wood is what harbours the beetles.

**Hon. Mr. MacNaughton:** I do not know that it does. I do not think so.



**Mr. Deacon:** I do not think that matter has been really proved. I think initially a lot of us took great pains to burn every darn tree that died and then we still lost trees.

**Mr. Young:** Of course, there are so many it would not make any difference anyway now.

**Hon. Mr. MacNaughton:** No, there is so much infection now. But for many of the farmers we cut it up into fireplace lengths too.

**Mr. Deacon:** Is there any indication that the disease is slowing down at all? I noticed in many parts of the province the elms still seem quite healthy. For instance, up in the Chairman's part of the country.

**Hon. Mr. MacNaughton:** They just have not been infected by it.

**Mr. Chairman:** There is no infection in my area.

**Mr. Young:** It is his smile you know—when he goes up there and beams on those elms.

**Mr. Deacon:** You say that without any reservation?

**Mr. Young:** Without reservation.

**Hon. Mr. MacNaughton:** Is there not any increase?

**Mr. R. G. Hodgson:** Carried?

**Mr. Chairman:** Vote 805 carried?

Vote 805 agreed to.

**Mr. Gaunt:** Mr. Chairman, I have nothing on 805, but I do have two matters on 803. I was wondering if I could impose on your good nature. It will only take me 10 minutes and—

**Mr. Chairman:** Well, I wondered if—

**Mr. Gaunt:** I was tied up by the press outside and I—

**Mr. Chairman:** Vote 803 has been carried, Mr. Gaunt. The officials are here, possibly they would accept your questions from you.

**Mr. Minister,** on this matter we will adjourn for all rights and purposes.

**Hon. Mr. MacNaughton:** As the committee decides.

**Mr. Gaunt:** Right. I promise not to take long. I apologize for it, but I could not help it.

**Mr. Chairman:** What is the pleasure of the committee?

**Mr. Deacon:** Carry on for another 15 minutes.

**Mr. Chairman:** All right. We will revert to 803.

**Hon. Mr. MacNaughton:** Do you want to go back?

**Mr. Gaunt:** If I promise to be through at 5 o'clock?

**Mr. R. G. Hodgson:** If they are matters of general interest, we might all want to get in and pursue them.

**Mr. Chairman:** It might be better under the circumstances if this was pursued with the officials of the department.

**Mr. Gaunt:** I would be pleased to do that. You know I do not think it is really a matter of general concern.

**Mr. Young:** Discuss it with the officials then, eh?

**Mr. Chairman:** The minister is desirous of reverting.

**Mr. Gaunt:** All right, Mr. Chairman, I will just be a few minutes and I will just take a brief moment to recap the situation.

It concerns the construction of an overpass over Highway 502 near Napanee. My friend from Prince Edward-Lennox (Mr. Whitney) is quite familiar with it I think.

To make a long story short; The Department of Highways decided they would construct an overpass over this particular railway crossing. One of the property owners objected to this and said: "Look, I want an inquiry officer under The Expropriations Act to come in and to hear this matter." So the inquiry officer was appointed and there are three alternatives, as I understand it.

They have the alternatives whereby the department can construct the overpass along the present highway, along the present system; they can go north—and this is the way they propose to go and this is where the objection has come in; or they can go south.

I have read all the material on it. I have studied it and I have read the inquiry officer's report and one question remains in my mind and there really is only one: Why did the department not do a costing study on the south route as well as the north route? If you

did, those costing figures did not come out at the inquiry.

If it is a matter of cost insofar as one route against the other is concerned, I suppose that is valid to an extent. But there was no information given at the inquiry or the hearing whereby this figure came out. It was implied, although it was not said directly, that the department had never really considered the alternative route.

For instance, the inquiry officer mentioned on page 8: "I find the decision"—that is the north route—"to be a sound one, although it need not and may not be the only sound decision." In other words he was saying, "Yes I do not see anything wrong with the north route, but the south one may also be a sound proposition as well."

I think that the department's position was that as far as they were concerned, they preferred the north route. If they went to the south, while the length of bridge and the grading and the actual design would be almost identical, they would have to expropriate some property from an industry. I think there is a propane supply depot there and there would be a chunk of their property that would fall under this proposed south plan if in fact, the department decided to go that route.

I would be interested in learning if in fact the department has done any costing on this south route.

**Hon. Mr. MacNaughton:** Mr. Crosbie, do you have this information?

**Mr. D. A. Crosbie** (Assistant Deputy Minister, Legal Branch): As was indicated, we did not have costing figures at the hearing. The regional office, in planning and designing this overhead bridge, in their initial assessment concluded that the south route was more expensive and they therefore concentrated on variations of the north route.

As I understand it, right up until the time of the hearing the property owner was only concerned about an alternative of staying on tangent, or reducing the amount of curvature in the north route. It was not until the hearing that he raised this proposal that perhaps the southern route should have been investigated in detail.

Our officers at the hearing indicated that in their opinion they thought the south route was more expensive because of certain property problems, particularly this propane gas plant, or some gas storage depot. As a result of the representations made by Mr.

Klinck, subsequent to the hearing we did cost the southern route and their expectations were borne out that the route chosen was the least expensive of all the routes mentioned.

I cannot offhand quote the difference in cost between the north and south alternatives, but it was a significant difference.

**Mr. Gaunt:** But you do have those figures?

**Mr. Crosbie:** Yes we do. And I believe this information—

**Mr. Gaunt:** I am sorry. Were they obtained after the hearing?

**Mr. Crosbie:** After the hearing; subsequent to the hearing.

**Mr. Gaunt:** I would be very interested in comparing those figures, Mr. Crosbie, if you have them. The inquiry officer said in his report that if you went via the present highway location, your cost would be \$497,000. If you went by way of the north route, the cost would be \$344,000. Now you are suggesting that if you went the south route, it would be closer to the \$400,000 figure than the north route.

**Mr. Crosbie:** Yes.

**Mr. Gaunt:** I see. The one thing that I question: You mention that you would have to expropriate from the propane company. I understand their holdings there are not very extensive, insofar as buildings are concerned. I think they have a storage tank in a little office, something like an eight-by-eight office, and I think this was the objection of the property owner, you know, that when it came down to a case of deciding between a property owner and an industry, the department opted for the property owner because it would be less costly and perhaps not nearly so difficult to deal with one property owner as against an industry. Now I do not know whether that observation is a valid one or not, but I think really that underlies the tenor of his argument.

**Mr. Crosbie:** I do not believe it is just a simple question of equating a property owner against an industry. The property in question had a very substantial setback from the highway and the widening was not that damaging to the property. Granted it took frontage from the land. Now, to have gone to the—

**Mr. Deacon:** What about the propane tanks?



**Mr. Crosbie:** Some trees, although the design of the highway can salvage considerable numbers of the trees that he was concerned about.

Going on the other route, you are incurring a much higher property cost, and you are also placing the highway in very close proximity to the storage tanks, unless you also want to get involved in the cost of relocating the tanks in the storage area, and the work plans for the development of that storage area. So it was a question of looking at taking some property from a residential parcel, or incurring other costs, much more substantial costs, on the other line.

**Hon. Mr. MacNaughton:** I might add to that. I wrote the property owner last week. I cannot remember the difference of the figures, they were enough to warrant it. I explained all this to him, and I found it was sensible to uphold the decision of the inquiry officer. There was less damage to the property there than there was to the propane one, too.

**Mr. Deacon:** Mr. Chairman—

**Mr. Gaunt:** All right, accepting that proposition, is there any way in which the damage to Mr. Klinck's property can be minimized? In other words you mention, Mr. Crosbie, that you can salvage some of the trees; I believe there are nine trees there. He is concerned about that. He has got a big front lawn; he does not have the same acreage at the back, and it is a nice, I gather, recreational area for him. There is the pond there, an artificial pond I presume.

**Mr. Whitney (Prince Edward-Lennox):** The pond is not on his property.

**Mr. Gaunt:** The pond is not on his property.

I see! Oh well, disregard that.

**Mr. Whitney:** It has nothing to do with him whatsoever.

**Mr. Gaunt:** But in any case, I gather he feels that this route would disrupt his holding; certainly there would be a chunk of his property taken. The aesthetic qualities of the property are partly destroyed, at any rate, and I am wondering if there is any possibility in which you can minimize the effect.

**Mr. Crosbie:** Yes sir, as a matter of fact, specific instructions have gone out to our regional people to take a look at this property and give it special attention over and above the usual approach we have of trying to

save these trees where we can and to see, in the design of the highway, if there is any minor adjustment which might save the trees.

I know one large tree, a maple I believe it is, which there is no way we can save it. It is going to be right in the centre line, but several of them will wind up on the edge of the right of way and there should not be any need to cut them down. These we think we can save; and there is another row of trees that goes out toward the right of way which should not have to be cut down. So instructions have gone out to do everything possible to minimize the damage.

**Mr. Gaunt:** Well I am glad to hear that.

**Mr. Deacon:** Mr. Chairman, I am concerned about the matter of propane storage tanks being left close to a subway underpass.

**Mr. Whitney:** Mr. Chairman, if you will allow me to explain the situation we will eliminate a lot of these unnecessary points, because—

**Mr. Chairman:** You have a supplementary question?

**Mr. Whitney:** Well yes, I have a supplementary question, and of course the question is, you see, Mr. Klinck's report only gives a part of the report of the person who made the judgement. I happened to see a copy of that original report and I know there are statements in it that were omitted.

Now in regard to the statements he makes about the propane shack, which he says is only a shack. It is a very minor shack and they do not know what it is used for at all. The main tanks and the other part of the propane installation is much farther away. But here is the situation: Under Mr. Klinck's plan the line right along that area by the propane gas people would be on the highest part of the elevation for the overpass. It would be up high, and in order to get this height the road would have to be widened and it would have to go away down and be much closer to the propane operation. It would have to be an average 100-foot right of way because a part of the right of way has to be used in order to get this elevation; and then they would have to have a further right of way beyond that.

Not only that, but the propane people would have no access to the road from their own property. They would have to acquire additional property from a farm and build a



road to get them out to a point where they could even approach the hut.

I saw the plans from the regional engineer last weekend and once I saw those plans I realized that not only was the policy adopted more practical, but I could understand how when they went so far they decided that Mr. Klinck's suggestion would not only be more costly, but also it would not be as good from a safety point of view. In the present proposal the overpass would be located close to Napanee where the people are approaching a 30-mile-per-hour speed limit; and this other one would be farther out on the road to the northwest, and certainly would involve higher speed traffic coming over the crest of a hill some distance out from Napanee.

So there are a number of angles. The pond does not belong to Mr. Klinck; he was using all of these things that he could. I understand from the people who own the pond that only a part of it is involved. It is an artificial pond and there is still a good part of the pond left.

**Mr. Gaunt:** Mr. Chairman, I just want to say that I appreciate imposing on you to this

extent. You have been very helpful, and I do appreciate it both from your standpoint and the minister's standpoint and the department people. I am sorry to impose on your good nature in this way, but it has been most helpful.

**Mr. Chairman:** This completes the estimates of The Department of Highways.

**Mr. Deacon:** I just wanted to be sure: When underpasses are built near propane tanks is there any effort made to relocate them? I notice this is an overpass you are building here, so there is not a—

**Mr. Chairman:** I would only say this, Mr. Deacon, this vote was carried earlier in the afternoon, I think at 3:23 o'clock this afternoon if I am not mistaken. I think any further supplementary questions that might be asked might be asked of the officials of the department.

This completes the estimates of The Department of Transportation and Communications.

The committee adjourned at 4:56 o'clock p.m.

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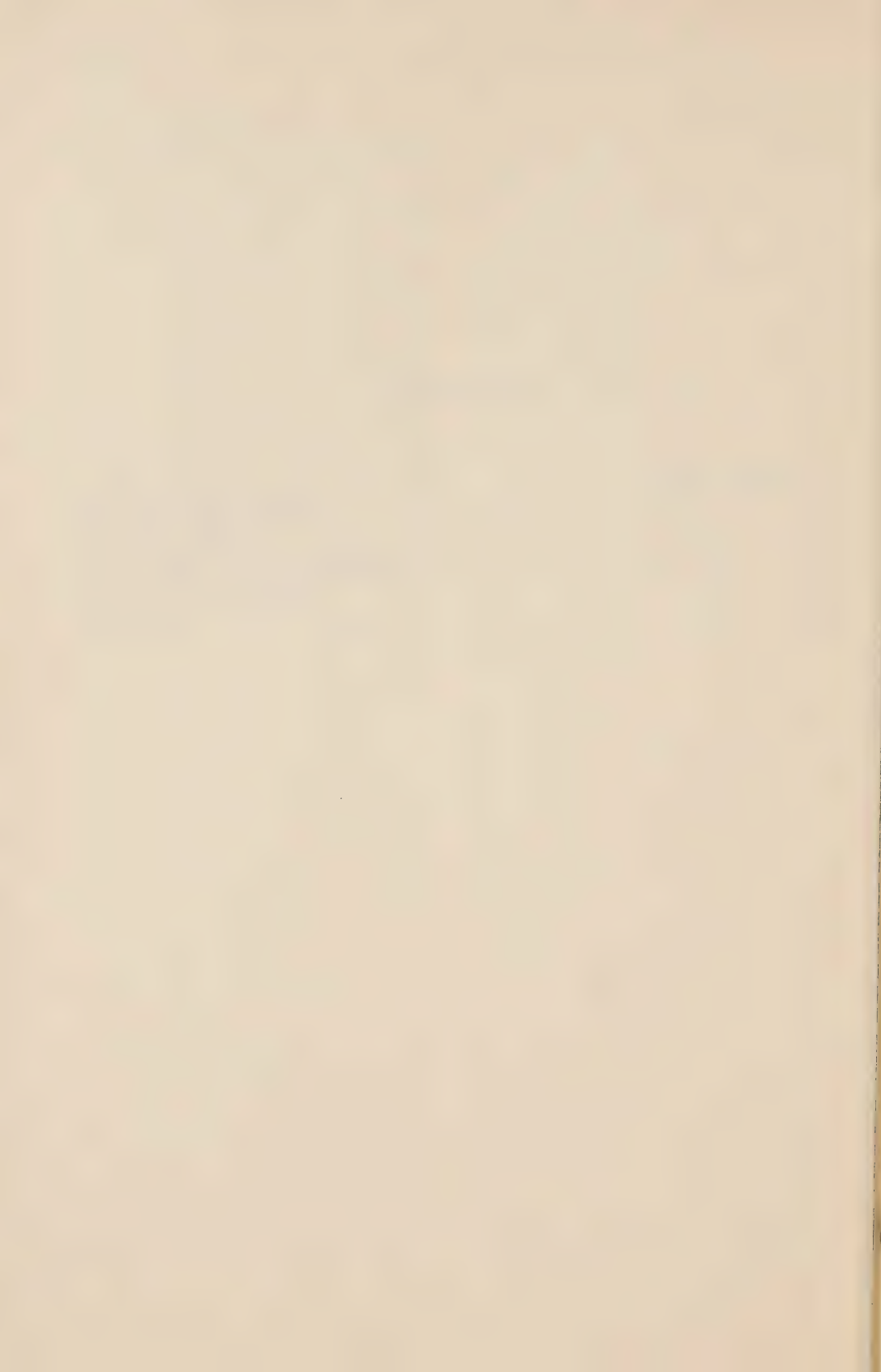
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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Trade  
and Development

Chairman: Mr. W. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Monday, July 5, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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REPORT OF THE JOINT COMMISSIONERS OF THE  
INTERNAL REVENUE

FOR THE YEAR ENDING DECEMBER 31, 1904

WASHINGTON, D. C.

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WASHINGTON, D. C.

1905



# LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JULY 5, 1971

The committee met at 3:15 o'clock, p.m., in committee room No. 1; Mr. W. Hodgson in the chair.

## ESTIMATES, DEPARTMENT OF TRADE AND DEVELOPMENT

**Mr. Chairman:** We will proceed with the estimates of The Department of Trade and Development. Is there any further word, Mr. Minister, something you would like to say to lead off these estimates?

**Hon. A. Grossman** (Minister of Trade and Development): I was reading last year's estimates; I got through a portion of them anyway. I noticed that the chairman kept making comments, "Will you stand up so you can be heard." I have never been in this committee for estimates. Is it all right to sit?

**Mr. Chairman:** That is what we want you to do.

**Hon. Mr. Grossman:** Right, fine, Mr. Chairman, I do not think I want to make any particular statement and delay matters. It is a big department and I am sure that everybody is anxious to get into the details of the estimates to help the minister and his staff as much as possible, so I think I will do away with the usual formality in this respect except that I would like to take this opportunity of putting on record my admiration for the work which has been done by my predecessor.

There is no doubt about it that he had a great deal to do with building up a very good department and a very good staff. I am very proud of the staff, they are busy people, overworked in most instances. And I am sure that Mr. Randall had a tremendous task in getting together a great number of people who are specialists in their fields and he, and his staff, and now my staff, have done a tremendous job for the people of this province and I certainly intend, so far as it is possible for me to do so, to continue to do a good job for the province and if at all possible, even better. I am sure I speak for all of my staff in that respect. Thank you, Mr. Chairman.

**Mr. H. Peacock** (Windsor West): He did not make a leadoff either.

**Hon. Mr. Grossman:** Did he not? Well it just shows you. A good example.

**Mr. Chairman:** Who is the next speaker from the official opposition? Mr. Sargent?

**Mr. E. Sargent** (Grey-Bruce): Mr. Chairman, I think that the minister is lacking again in the fact that he has no statement to lead off the presentation of the estimates.

**Hon. Mr. Grossman:** Well, I can give you one. Do you want me to speak for an hour or two?

**Mr. Sargent:** As long as you say something intelligent. I would not mind that.

**Hon. Mr. Grossman:** I have never been short of words, you know that.

**Mr. Chairman:** This is something that we did not allow in the last committee, and I hope it is agreeable. When a speaker is speaking we allow the speaker to finish.

**Mr. Sargent:** Most ministers have some statement of policy insofar as their programmes are concerned. If one were to ask oneself the good of this exercise, of examination of departments, it would be tough to come up with a meaningful, satisfactory answer to it. But all we can possibly do is judge cause and effect or, in real truth, the end result of what we do in these committees; and does the end justify the means.

I feel there are two kinds of people on this earth, those who talk about things and those who do things; and the competition in the second group is not very keen, from what we have seen in the House, Mr. Chairman, of this minister and this department. If we do nothing else we might establish a new psychology of crisis in this examination—as exemplified by the common expression, "set a fire under him," to do something—to at least expose the completely unacceptable practices and policies of the minister and his department so clearly that the spotlight of public

opinion will reject both the policies and the administration, hopefully to bring about a more fair and equitable distribution of the allocation of public funds, which is so important in this particular department.

In the words of the Arab proverb: "The ass that went to Mecca remained an ass." And these policies and those of the minister have little added to them by their place of utterance or practice.

Mr. Chairman, if we were to classify this minister insofar as his performance in his new ministry, and if 10 were the tops in classification, I would say this man would be about a two-minus, insofar as the job he is doing in this important area. The glaring statement that the Spadina Expressway could be stopped to save this man's riding is a real joke, because—

Mr. M. Makarchuk (Brantford): It has not saved it.

Mr. Sargent: Well, it certainly has not. But the fact is that when Mr. Gardiner goes on the front page of the Telegram and says that the Spadina Expressway will be built in spite of Mr. Davis and Mr. Grossman, it shows it was a cheap way to get votes during an election, but they will go to no end in this government to garner public opinion in their favour.

So my contention is that ever since this department was set up by Bob Macaulay, it has been out to dispense favours and buy votes with public funds. This array of talented people here, high-priced help, is engaged basically and solely, in my opinion, to dispense money from the public treasury to garner votes for the party. They are aiding and abetting the minister in a corrupt way, when we examine these estimates and find out what has been going on.

Hon. Mr. Grossman: Mr. Chairman, I must take exception to that. I am not looking for a fight and, you know, you can call a politician practically anything you like and get away with it, but I think the hon. member should consider what he has said. When he made the charge that my officials are aiding the minister in a corrupt way—that is a pretty awful charge to make.

Mr. Sargent: Anybody who is promulgating your policies is aiding and abetting you.

Hon. Mr. Grossman: Well, your charges are—

Mr. Sargent: Your policy stinks.

Hon. Mr. Grossman: That is pretty cheap. I think you ought to apologize to the staff if not to me.

Mr. Sargent: Mr. Chairman, when I have watched what is going on in this government for eight years, I do not apologize to anyone for what I say. I respect them for their ability in their own fields, but when I see what goes on through your department and what has gone on through Stan Randall's department, then I have a right to say what I think as a taxpayer. We are getting fed up with it. What gives you the right? You are in here by a minority vote of the people—about 41 per cent of the people want you here—but you have the right to dispense this money, untold millions of dollars to give favour to your party.

Every Canadian who is truly a nationalist cringes at the thought of a US takeover. But this department and its former minister and this minister have led the way in Canada, the largest province; we have started the ball rolling and it is almost a reality; the consumption has been complete.

In the area of the Ontario Development Corporation loans to investors in the USA, we have not only arranged for them to take over our economy but we have given them the money to do it. As will see in these estimates here, by the reams of material we have, we have living proof that you have done this. We have, in fact, a corporate wealth of US corporations here—some \$28 billion now—and all the US money that has crossed the border in this whole exercise has been \$127 billion. And if this department continues to lend out money, forgiveness loans—you call them performance loans now—and mostly to American corporations, American-controlled corporations, that will develop further.

We have the work of one Mr. Ramsay, who has a great success record in the way the government looks at things. But he has developed for himself a beautiful platform in this government where he develops make-work projects for himself. Now, we have seen in his past performance how many millions of dollars he has cost the people of Ontario. You have Ontario Place rolling on the books, which is his brainchild apparently. We wonder what is his next brainchild? What is the next multi-million-dollar project that Mr. Ramsay is going to sell the government? I as a taxpayer do not like it, a man walking in here and selling you a bill of goods to spend my money.



He has had Harbour City; we will investigate that. We have, in watching the papers daily, the promotion of Cadillac Development, a multi-million—hundreds of millions of dollars—corporation. They are the largest recipient of Ontario Housing Corporation loans and it is strange to find out that their legal counsel and their director is Mr. Edward Goodman. There is a big story here that may never be known to the people of Ontario. The fact is that this octopus controls this whole area in housing for people. The loans are slotted to the bag man for the Conservative Party. And the minister in his nonchalant way, and typical of all the government people says, like John Robarts: "What are you going to do about it?"

I do not know what you can do about it other than the fact that the people get to know through questioning of how these things can happen.

The Ontario Development Corporation, as I said before, is a slush fund from which we use public funds to mete out favours for the party. In the Globe and Mail it says that the government of Premier William Davis has announced that the ODC in the future will give preference to Canadian-owned businesses, but the ODC has already granted subsidies that have hastened the Americanization of the Ontario economy.

Now we hear how they are granting large subsidies to newly formed companies with untested processes and products. The ODC is allowing businessmen to risk taxpayers' money for private gain.

Since the ODC never demands part ownership of such corporations in return for subsidies, the taxpayers do not receive any of the profits if the company prospers. An increasing minority of ODC-subsidized companies are failing to create the number of jobs they are pledged to.

We find now we have the latest spinoff, which is a venture capital fund that the minister announced about a month ago, and this is described as a source of capital for small businesses with exceptional potential but with greater risks.

Now, what could be more risky than this next shot here? It shows how you handle our money, or how your people handle our money. Book Print Rapide Limited, for example, a newly formed company, recently received a \$419,000 loan, to help build its textbook printing plant in Kingston. The company president, Peter Whitehouse, acknowledged there is no question that the plant is a risk

venture. The plant will be centred on an offset press especially built in the United States for printing books, the first of its kind in Canada.

What makes this interesting is that since this loan was given, the \$49,000, they have already arranged another loan of \$600,000 from the US export-import branch. So Book Print Rapide has started its risk venture with \$1 million of US and Ontario taxpayers' money. The president resents suggestions that this is a case of capitalism made easy.

Now this \$419,000 that you are investing here is creating 38 jobs. If all the 38 jobs are created then it will mean that each one of the jobs cost us \$11,000. But the thing you must find here is that the reason for them setting up this plant is that it is going to lower the cost of textbooks in Ontario. Now, Mr. Chairman, I am in the printing business and there is no more sick business in the Dominion of Canada than the textbook printing business or the printing business. Lithography, all the graphic arts, are sick businesses. And here we are, we lend an American firm \$419,000 to create 38 jobs at the cost of \$11,000 a job, and this is the way we are lending our money. That is one example.

Here is another case! So far the ODC has made 277 loans and of all the 277 loans it is only asking one firm to stand up to its promises to create jobs. In other words, what happens to the rest of the 276?

The minister says we have no right to know who they are or their performance. Last year the government launched a tourist loan programme to aid the tourist business, and last year they only lent out 12 loans across the Province of Ontario.

One of these brochures says since 1963 the government has held discussions with 3,000 business firms in eight years. It works out to about 400 a year, or less than one a day. With a staff of 20 people they work on one firm a day, and now their minister comes up in the House last session and says we are going to start a new deal for small businessmen's loans. I would like to ask him how many small business loans have been lent out to small businessmen?

Then we have these brochures: "Does your business need a checkup?" We would like to know how many loans have been lent out to small businessmen in Ontario.

Mr. Chairman, I tried to get in some dialogue with the minister some time ago with regard to solving unemployment through



housing. The hottest thing in the United States now is a modular housing programme which is providing homes, living quarters, in townhouses for people at the rate of \$53 a month for three-bedroom houses. These houses are factory built, it is a modular system

I tried to get the minister to realize the importance of this programme. It would do three things. It would solve our unemployment situation. It would solve our housing situation. It would give every man the dignity of a job.

The first thing we have is the need for housing. We will never be able to fill the need for housing in this country and we have about half a million unemployed people right now. By the modular housing system we could take over empty factory space across this province. We could put people to work, not skilled people, but ordinary people without skills; not skilled trades, but just ordinary labourers.

And how do we get around the unions? We train these people to do these jobs. It is working in HUD in the United States, in Housing and Urban Development and through Romney. It is making vast strides.

I challenge the minister that if he were sincerely to do a job for housing, he would start a modular housing programme across this province by going into every city and acquiring the rights to use vacant plants to put in this modular system, to build homes on the assembly line the same as we build automobiles.

With all the technology we have today for putting people into space, and for building cars, highly complex cars, it is very basic to me that if the minister were sincere in doing a job he could go out and acquire all this plant space for almost nothing. In fact, I will give him 200,000 feet of plant space in Owen Sound—if he will put in an operation to put people to work to build housing.

And there are all kinds of people around this province who have empty factory space dying to be used. But through automation it is closed down. And we can solve the housing problem and put people back to work; give them the dignity of a job.

I have got lots of folders here on how it is working in the States. It is working because there are businessmen running the show. They are not diverting taxpayers' money into Ontario Place. They are not wasting \$140 million on a blind-end expressway. They are doing things for people and these are people

projects to give people a place in which to live.

What the minister could do with all the power and wealth of brains he has at his disposal—because certainly he has the highest-paid help I guess that money can buy—is to give us a standardized building code so that we can do a modular housing programme across this province. And it is a very simple thing to do, to give us a standardized building code, but nothing is being done to my knowledge on this point.

Mr. Chairman, I could speak endlessly about the many things I am concerned about as a taxpayer. We have many, many more able men than me on the opposition to question you, but I have said this many times before, and I am like a bulldog on this point, that you are using this money to no end to create public favour for your party. I say it is corrupt, because I know that when I ran for—I make this offer again, that I will resign from the House if what I say is not true, and you would gain a seat in Owen Sound if you could prove me wrong—but I say to you again, Mr. Minister, when I was first elected to this House eight years ago we had the first loan for Mr. Etchen for the Fairfield Knitting Company. And the directors—and we appreciated that there was \$157,000, or something like that—were told in the spring of 1963 the place should be closed down, but we were having the election so they said, "Keep the place open."

The directors, all prominent businessmen of Owen Sound, said, "The place cannot operate, we will not go on the books any more. It should be closed down." The minister in charge of this department said, "Keep the place going." There were 40 people working there. So they kept the place going for two more months during the election campaign. They could not close the plant down because the Conservatives might lose that seat.

And so the directors threw up their hands and said, "We will not be responsible," but the government kept feeding the money in and feeding the money in and kept the plant open.

On June 7, I think it was, the Tories lost the seat in Owen Sound by 10 votes that day. The next day the order was posted on the board to close the plant and everybody was fired. And I charge publicly that you used that plant to spend money publicly. I have asked repeatedly for an inquiry to investigate what I say and I will stake my seat in this House that what I say is true.

I have proof positive that is the way you use money, because the order came through from Queen's Park against the wishes of the directors to keep the plant open. I stand by my statement that if I have offended the people who work for you because they are in consortium with you in this fraud on the people, then I say I will not apologize. I feel that you are cheating the public of this province the way you handle their money.

**Mr. Chairman:** Mr. Makarchuk.

**Mr. Makarchuk:** Mr. Chairman, I have a few brief comments. As we go along from estimates to estimate we will go into it in greater detail than I will right now in my leadoff statement.

There is no doubt in my mind, and I am sure in the minds of my colleagues, that the Trade and Development department is a key department in the Province of Ontario; that it is very important. Capably handled and with imagination it could ensure that we can meet the socially desirable goals of the people of Ontario.

The major problem we have is that it calls for government involvement in many cases instead of sort of total reliance on private enterprise to do the best task. And the government is not prepared to make that philosophical decision or take that further step to get involved in the development of the economy of the Province of Ontario.

We should bear in mind of course that when I say that it is a key department, it cannot work by itself alone. It will have to work with the other departments, particularly the Treasury department, if you are going to have growth in Ontario and you want to know where the growth is going to take place. It has to fit in with the various plans that are being kicked about at the moment, particularly the Toronto-centred region plan.

And from the reports in the newspaper—and I refer to the *Globe and Mail*—it seems that there is very little consultation going on between this department and the other departments of government. In fact it says in one of the reports that they do not even know who the representative is from the Treasury department.

It sort of indicates that there is a real lack of co-ordination. Perhaps it may be because of the past minister—who was rather flamboyant, but with a rather dismal record of performance—and we may have changes in the new minister, or perhaps there may be changes that will come about because there

have been changes in the Treasury department.

Anyway, Mr. Chairman, in my mind there is no doubt that in Ontario we can provide the quality of life that will be second to none in the world. We have the things to ensure that we do the right thing. And this means ensuring that we have employment, and this is full employment, and the kind of job opportunities that will give people meaningful jobs. Not the cutting down of Dutch elm trees or walking around, as in some of the municipal make-work projects, collecting dead cats out of the canal, or something of this nature. This is not the way you make the economy grow, nor is it the way that you ensure that jobs are available for people.

We should note that in the EIO programme, since it started functioning about three years ago and roughly up to this time, you have created something like 9,480 jobs. The total number of new jobs required in Ontario to ensure sustained growth—and this is according to the Treasurer's statement—would be 100,000 created in 1971 to absorb the normal increase in the labour force.

However, if you are going to reduce unemployment, and at the moment the way the government is going, Mr. Chairman, there is nothing to indicate that it is decreasing unemployment, you would have to create 150,000 new jobs in the province.

Now, I am not saying that the government, or through its EIO loans, or various Ontario Development Corporation Loans, is going to do all this by itself. There will certainly be other private agencies involved in this thing.

But the point here is that if you look at the previous record, and all you have to do is look at the Dominion Bureau of Statistics, you will find out that last year there were 61,000 new jobs created in Ontario. This is between March, 1970, and March, 1971.

It indicates that the government is falling down by something like 39,000 or 40,000 jobs fewer than are needed just to absorb the people coming into the working force. This is not even taking into account the people who are employed at the moment.

There is nothing in the government's programme, or in the statements of the minister or in the Throne Speech—in the Throne Speech there was a rather flowery statement by the Premier (Mr. Davis) that immediate steps will be taken to enhance or expand jobs and so on—but nothing really has happened in that department since these statements.



We have various means at our disposal to ensure that jobs are created, and housing was one of the means that was advocated by the leader of our party. There is no doubt in my mind, and I am sure in the minds of everybody else, that good homes lead to good families, lead to good education and lead to healthier families as well. Again we have a shortfall of housing; we have a sort of limited programme that in no way is going to meet the need. We are not doing anything at the moment in terms of either slum clearance—this is another socially desirable goal—in terms of pollution control or in terms of rapid transit or anything. What I am referring to here when I speak about these things, is that these could be industries that would provide employment for the people living and working in Ontario, that they would provide the adequate levels of income that we desire and that are necessary these days in order to be able to raise a family.

You just cannot raise a family on the minimum wage; let us remember that. We certainly have areas in our economy where, with wise investment, wise planning and direction from the government, we would be able to bring about those kinds of industrial developments. Not only are they desirable in the first place, but in the second place they would provide or help answer some of the social needs of this province.

Certainly there is no doubt in the minds of people now—I think it has been kicked about before—that we need foreign investment. The previous minister seemed to have a feeling that a Canadian was an American who wanted to buy a stove; this was the only difference. I think that people in this country are realizing now, and have been for quite some time, that we want to be sort of in charge of our own destiny, we want to set our own priorities and we want to set our own future. And there is no reason why we cannot do this.

If you look at one of the arguments that has been advanced on numerous occasions, that we need American investment, foreign investment, and if you look at the figures between 1960 and 1960, you will see that we have paid out from Canada into the United States something like \$2,525,000,000 more than we have taken in from the United States. This should remove from anybody's mind the feeling that we cannot do it ourselves. I think part of the problem, Mr. Chairman, is that it is the philosophy again, it is the lack of leadership. Again, if I may refer back to the previous minister, and I am

quoting him in a speech which was reported in the February 9 Toronto Daily Star, he said that:

Canadian ownership won't produce new customers, it won't improve old machines and methods, it won't make products more salable, it won't make salesmen more vigorous, it won't reduce costs, won't convert losses into profits and won't create more jobs.

In other words, Mr. Chairman, there is a feeling—and I think it permeates through all that department—that we have to go someplace else, that we are not big enough or strong enough to be able to stand on our own feet and do the things that other countries in the world are doing right now. Other countries with populations the size of Ontario are capable of ensuring that they have full employment, that they have jobs for their people, that they have an expanding and growing economy. And yet here in Ontario we run around and hope, like little children, that somebody else is going to do it for us. It is a crisis, Mr. Chairman; it is a crisis of leadership.

I do not see anything to indicate to me right now that there is going to be any change in the department. The change will come about when the government is removed from office, and this is going to happen in the next election. Only then, Mr. Chairman, are we going to have the kind of growth, the kind of development and the kind of change that can be carried out in Ontario and can be performed by this particular department, because it is a key department.

Look at the steps that are being taken, particularly in the Province of Manitoba, in terms of what the Manitoba Development Corporation is doing in comparison with the Ontario Development Corporation. The function of the Ontario Development Corporation, it seems to me, is that of a banker; it performs the same function except that it fools around or plays around with the taxpayers' money. At least the bank will demand some of it back; it does not have, shall we say, the social responsibility to take something in return for what is happening to its money.

As we go through the various votes, we will discuss the various departmental aspects, what we will do in those cases, what solutions we will offer and what can be done. I wish to close on this point again, because what we are suggesting and what we are going to suggest is not something new or untried,



it is something that is being done in most civilized countries in the world. The only two countries in the world that have an unemployment problem and a social problem are Canada and the United States; it is certainly much greater to the south of us than it is in the so-called developing countries of the world. If they can do it with a minimum of resources, then we certainly can do it in Ontario. And that is what this party is all about and this is what we are going to do.

**Mr. Chairman:** Mr. Minister, do you have any comments?

**Hon. Mr. Grossman:** Well, Mr. Chairman, I could make a number of comments. In the first place, the leadoff man for the Liberal Party has left us after making some of his usual violent remarks. I thought it would be better if we got into the details of the estimates, but I do not want that to be considered disrespectful to the hon. members, particularly those who made some comments. I could make some comments about the remarks made by the member for Brantford, but perhaps I will follow his suggestion and wait until we do get into the details of the estimates.

**Mr. Chairman:** We will proceed with vote 2201 and deal with it item by item under the vote. Vote 1 deals with salaries and wages, employee benefits, transportation and communication, services and supplies and equipment.

On vote 2201:

**Mr. Peacock:** Mr. Chairman, I take it you are going to do all of vote 1 at the same time. The matter I would like to raise in issue with the minister is the performance of the Ontario housing advisory committee. Could the minister tell us who the personnel of the committee are and what it has been doing over the last several years of its existence? Is Mr. John Mason—

**Hon. Mr. Grossman:** No, no!

**Mr. Peacock:**—staff representative of that committee?

**Hon. Mr. Grossman:** Mr. Mason is not here. I am sorry, the Ontario housing advisory committee representative is not here, and I must admit to the hon. members that in the light of all the other duties I am becoming acquainted with, the housing advisory committee was one of those which has not had as much of my time and attention as I would like to give it. I attended one meeting,

I discussed with them their operations and their terms of reference. If the hon. member would like me to, I will read to him the terms of reference, but I am sure he is familiar with them.

**Mr. Peacock:** Sure, I think that the minister should refresh our memories. It is some time now since we have heard from the committee—

**Hon. Mr. Grossman:** It will also help me refresh mine.

**Mr. Peacock:**—and what it has been doing. But Mr. Mason is the executive director or executive secretary or full-time person charged with the work of the committee, organizing its business, preparing reports, informing the minister of the progress the committee is making and suggesting—

**Hon. Mr. Grossman:** The first thing I have to do is get an index to the index. Mr. Mason is, of course, the executive secretary. Do you want to know the names of all the other members of the committee?

**Mr. Peacock:** Yes, have they changed at all since the first appointments were made?

**Hon. Mr. Grossman:** I am told no.

**Mr. Peacock:** And when was the committee established? I do not recall the date exactly.

**Hon. Mr. Grossman:** I think it was November 24, 1969. The terms of reference, Mr. Chairman, are to study the social and physical development of the Province of Ontario with particular emphasis upon the changing needs of the construction industry, the optimum development of the potential of the construction industry by the application of new approaches and approved techniques, the development of an environment satisfactory to the needs of industry, commerce and the public at large, and the initiation of specific research studies to be conducted by the construction industry, by government or jointly.

**Mr. Peacock:** What specific research studies has it undertaken, Mr. Chairman, since November 24, 1969?

**Hon. Mr. Grossman:** I am advised there was a conference on housing in British Columbia and that is where Mr. Mason is. In view of the short notice that we are going to have our estimates today, it seemed advisable that he would be better where he is because they are discussing matters which are

in his purview and which are important to him.

I must tell you that I have asked Mr. Mason to discuss with his committee the whole matter—the possibility of doing some research into the matter of the proposal method of building of public housing. I am looking for it—I have too much paper in front of me. There was another subject matter which I had asked him to discuss—but I cannot recall that now—which was of concern to me, which had been discussed in the Legislature. Do you recall what that was?

**Mr. Peacock:** Would the officials of the Ontario Housing Corporation know anything about its activities?

**Hon. Mr. Grossman:** Yes, there is a member, Mr. Goyette—

**Mr. Peacock:** Would Mr. Goyette or Mr. Riggs know anything about it—the activities of the Ontario housing advisory committee?

**Hon. Mr. Grossman:** Yes, I am sure they would. They know a lot more about it than I would, and perhaps you might wait until they are—

**Mr. Peacock:** Yes, perhaps we can take it up under the vote for Ontario Housing Corporation—

**Hon. Mr. Grossman:** Yes, I would think that would be advisable.

**Mr. Peacock:** Mr. Chairman, could I ask the minister a further question? Could the minister give the committee some idea of the total spending under his department's estimate? I raise it here under the main office items in vote 2201 because I think this is the only place that is appropriate to raise it.

Could he give us some idea of the total expenditure under this estimate for the department which will be put out for capital cost and operating expenditure without the usual Public Works tender system being used to choose the successful proponent? I know the minister has just referred to the proposal system that I am sure the housing corporation uses. That is one aspect that I am thinking of.

Another is the portion of the estimates which we will be voting later to complete the construction of Ontario Place. The Ontario Place operations for which there was money first voted this fiscal year is another likely area of endeavour; perhaps even the Ontario Economic Council. There will be expendi-

tures made to outside suppliers and businesses which do not go through the normal Public Works tendering system.

The Ontario Housing Corporation develops its housing by the builder proposal method. It does not call for sealed tenders and does not choose the lowest or any other bid from among those envelopes which are submitted. The special projects branch, for instance, in letting the contract for the Port of Call restaurant—Ports of Call International Limited at the 1967 exposition in Montreal—did not proceed by way of public tender. I think that I am correct in saying that the Ontario Place construction project was let in a similar manner.

**Mr. Chairman:** Do you not think you are getting a little ahead in your—

**Mr. Peacock:** No, I am not getting ahead of myself, Mr. Chairman. I was talking about—

**Mr. Chairman:** Yes, but you are saying that they appear in the next vote—

**Mr. Peacock:** If you wish, I will raise them each one in turn, but under the name of the main office vote I would like to get at the question as to whether there is a policy in this department—The Department of Trade and Development—to move away from the use of the public tender system? We have had a number of instances. There has been, as you know, much debate on the way the OHC develops its housing programme and the way moneys we advance here under that particular vote are used. They are not used through the tender system.

There has been much debate on the way the Ontario Place construction contract has gone. Again, I am not certain whether that was let by the usual tender method or by the builder proposal method, as used by OHC. In the case of services like those provided for Ports of Call at Expo 67—perhaps again at Expo 70—contracts are let without reliance on the usual tender system. I ask the minister if there is an overall policy in his department to move away from the traditional public tender system?

**Hon. Mr. Grossman:** As far as the general policy is concerned, there is certainly no feeling in my mind that we should move away from a tender system whenever it is possible to—where it is indicated that the public interest would best be served by a conventional tender system.



There are some areas in which of course, I am sure that all hon. members will know, a tender system—the usual tender system—would probably not be suitable.

However, Mr. Chairman, I suggest that we get into specifics when the specific vote comes up. The question the hon. member asked is whether there is any policy in this respect in getting away from the tender system; I would say no.

**Mr. Peacock:** Fine. I will raise them item by item, Mr. Chairman.

**Mr. Chairman:** Mr. Haggerty.

**Mr. R. Haggerty (Welland South):** Mr. Chairman, I would like to deal with the support services for operating programmes. This is with the international branch—Britain and southern Ireland, I guess—covered from the trade office in London.

I want to ask the minister, what effect will the entry of Britain into the European Common Market have on the export trade of the Province of Ontario? Have you completed any studies to find out what effect this will have on the conditions of exporting from the Province of Ontario?

**Hon. Mr. Grossman:** Yes, there has been as much of a study as can be made, having regard to the fact we are one unit—one provincial jurisdiction—in a country as large as Canada with nine other provinces and the federal government. I can tell you that from the reports which I have read, and the people from abroad to whom I have spoken there is no doubt in my mind and in the minds of my staff that it is going to have—it appears it is going to have—some adverse effect on the Canadian export scene. There are some offsetting features to this; the offsetting features being that if the ECM goes into effect they are going to be in a position where we can take advantage of the huge dealing with the much larger unit of—I do not know what it is—some 300 million people?

There are 330 million people and they tell us—certainly, the people from Great Britain are at great pains to tell us—that they are going to do everything possible to make sure that Canada is not a loser in this, and that they will do everything possible to make sure that we will have the advantages of being able to deal with a larger group.

You know this is a value judgement. You can get various opinions from various people but there is no doubt about it this is something that does concern us and should con-

cern us. There is very little we can do in the provincial jurisdiction. This is really something for the federal government to deal with. All we can do is intensify our efforts to do what we can to get more export trade. We are going to concentrate on this to a much greater extent in the coming year and also, within the four corners of the export policy, attempt to develop newer markets.

We are looking now to Africa; greater development of trade in Asia; we do have an office in Tokyo. We are going to do what we can to expand the operations of that office in order to take advantage of what export opportunities are available there.

There are other European countries which are not going to be in the community, in the EEC, and this is all we can do—

**Mr. Haggerty:** Very few.

**Hon. Mr. Grossman:** Very few, that is right.

**Mr. Haggerty:** Of course, the major ones you could probably deal with now are members of EEC.

**Hon. Mr. Grossman:** That is right. You know, there is nothing we can do about it except take those measures which I suggested and we are going to.

**Mr. Haggerty:** Have you consulted at all with the federal authorities on this?

**Hon. Mr. Grossman:** We have consulted with the federal authorities. We have discussed it with Mr. Pepin. As I say, I have discussed it with people from abroad—they have come to Ontario and we have discussed this with them. They have a document here which gives some of the details, where we think there is going to be some problems. Would the members like me to read it?

**Mr. Chairman:** That is up to Mr. Haggerty.

**Hon. Mr. Grossman:** It is a four- or five-minute document. Would you like me to read it?

**Mr. Haggerty:** Read it.

**Hon. Mr. Grossman:** It is a report which the staff has put together as the result of a study in this matter.

The European Common Market, a free trade association composed of West Germany, France, Italy, the Netherlands, Belgium and Luxembourg, has as its aim a political and economic union of western Europe.



The UK recently negotiated to join the EEC and all of the terms of entry are settled by EEC members. The UK domestic acceptance of the UK joining the EEC is not yet certain.

I am sure all the members are aware of that. It is still a great public issue in the UK as to whether the government should go into EEC.

Assuming the UK entry, the impact for Canada, and thus for Ontario, is likely to be greater on Canada-UK trade than on Canada-EEC trade. Ontario exports to the EEC in 1970 were \$238 million, an amount less than half of Ontario exports to the UK—\$500 million. The disproportionately small exports to the EEC compared to the UK—the EEC is almost three times the UK in population and foreign trade, and four times the gross national product—is partly due to the Commonwealth-preference treatment Canada enjoys with the UK, but also reflects the lack of concerted effort on our part to develop trade with the EEC.

The bulk of Canada's and Ontario's exports to the EEC are raw and fabricated materials such as minerals, pulp and paper, plastic materials and iron and steel. Export of manufactured goods is relatively small.

If and when the UK joins the EEC, Canadian and Ontario trade with the EEC will not be significantly affected because—

**Mr. Haggerty:** Well, you brought out an important point there. I believe that you said that your trade with Britain at the present time is around \$500 million, well over 100 per cent higher than it is to the EEC. I would be a little bit alarmed about this, that there is not a stronger effort being put on on behalf of your department, and officials in Great Britain right now. There is a good possibility that this could affect Ontario seriously. We could perhaps lose our farm export.

**Hon. Mr. Grossman:** I think you got the figures wrong.

**Mr. Haggerty:** Is it wrong?

**Hon. Mr. Grossman:** Ontario exports to the EEC—

**Mr. Chairman:** I think since you asked for it to be read, we owe the minister some respect. If you are not interested in hearing him read it, why not say so?

**Mr. Haggerty:** Oh no, I just wanted to point out—

**Hon. Mr. Grossman:** Well, this will follow when I explain that to you, I think.

**Mr. Haggerty:** All right, go ahead.

**Hon. Mr. Grossman:** To continue:

—UK tariffs on Canadian exports are generally far less than the tariff the EEC imposes on Canadian goods, and the EEC is unlikely to raise its tariffs after the UK has become a member.

Secondly, most of the imports from Canada are raw and fabricated materials and the EEC is unlikely to increase tariffs on these items. Only when the EEC begins to purchase goods from the UK will Canadian exports be adversely affected, but this trade diversion effect is not expected to be great.

In agriculture, where Canadian exports are likely to be most vulnerable to short-run losses such as the elimination of a Commonwealth preferential treatment, Canada is negotiating a new settlement with the EEC.

In short, Canada's and Ontario's trade pattern with the EEC is not likely to experience severe change, and the need to develop exports of manufactured goods remains.

Major Canadian exports entering the UK duty free include wheat, metallic ores, pulp and newsprint—the largest commodity group exported—fabricated materials inedible [that is the technical terminology employed] that is copper refining shops, aluminum ingots, plywood and veneer, pulp and newsprint, amounting to \$800 million in 1970. Exporters of these items feel that the UK entry into the EEC might threaten their industries, that is, Canadian pulp and paper products would be subject to the Common Market external tariff.

Export of the group known as food, feeds, beverages and tobacco, was \$258 million in 1970. With the exception of tobacco, already subject to protective tariff, exports in this group will suffer. On the whole, about 70 per cent of Canada's exports to the UK would be affected.

Ontario exports to the UK in 1970 were \$500 million, approximately 33 per cent of total Canadian exports to the UK. The largest group in Ontario's exports to the UK is known as crude materials inedible. Ontario's share of end products inedible is considerably larger than Canada's as a whole, and this group is the most rapidly expanding. As many commodities in this

group are subject to the Common Market external tariff, this growth may be slow for a short time. Exports of fabricated materials, foods, feeds, beverages and tobacco, accounted for one-half of Ontario's exports to the United Kingdom.

As these items enjoy preferential treatment they may be adversely affected. On the whole, about 60 per cent of Ontario's exports to the UK—

**Mr. Sargent:** Would you say that is a lot of exports, \$500 million?

**Hon. Mr. Grossman:** Sure it is.

**Mr. Sargent:** It is the same as your deficit in Ontario this year.

**Mr. Chairman:** Are you through, Mr. Haggerty?

**Mr. Sargent:** Five hundred million dollars in debts.

**Mr. Chairman:** Just a minute, Mr. Sargent, I have your name down. Mr. Makarchuk?

**Mr. Makarchuk:** Mr. Chairman, in discussing policy seeing it is under the main office, could the minister indicate just what policies the government is going to follow or institute to ensure that jobs will be available in Ontario? What policies are you going to develop, or will you be developing, over the next year or two years—I doubt if you will be here that long; over the next period—

**Hon. Mr. Grossman:** I am glad to hear you say that, you are right.

**Mr. Makarchuk:** —over the next period to ensure that there is full employment? In your paper, your Treasury paper, you say full employment means a three per cent unemployment rate. Assuming we go to that extent, or we will buy that, I do not agree with it myself because other countries have a much lower unemployment rate. But what policies is your department right now preparing to ensure that you come to that level?

**Hon. Mr. Grossman:** We are preparing and we are now expanding our efforts. We are intensifying our efforts to bring more pressure to bear on local industries to get more interested in the export market, and also doing what we can to get Canadian manufacturers—

**Mr. Sargent:** How are you doing that?

**Hon. Mr. Grossman:** Let me finish will you? Do what?

**Mr. Sargent:** Putting pressure on the—

**Mr. Chairman:** Just a minute, Mr. Sargent. Mr. Makarchuk, the minister is answering his question. Mr. Sargent, we have your name down, and when your turn comes we will ask you.

**Hon. Mr. Grossman:** Doing what we can to get Canadian manufacturers interested in the export market, and also doing what we can to get foreign investors to come in and engage in expansion of trade with Canadian people by way of joint ventures particularly. I do not know that there is anything else that Ontario can do.

**Mr. Makarchuk:** Well, Mr. Chairman, the minister has not told me anything. All he is saying is that we are doing this and we are doing that. He was not specific about anything really. Exactly what are you doing that is so different now from what the previous minister was doing? The previous minister was not too successful. He was so successful that we have something like 200,000 people unemployed. I hope that you are not that successful.

But I have nothing to indicate to me that you are doing something different. You say you are encouraging foreign investment. We have had foreign investment all along, and we have unemployment all along as well. What I want to know is what have you got that is different that will ensure that by 1972 or 1973 you are going to have full employment in Ontario?

**Hon. Mr. Grossman:** Well, we cannot ensure that there will be full employment in Ontario. Nobody can ensure it.

**Mr. Sargent:** You are going to have 132,000 new jobs.

**Hon. Mr. Sargent:** What I am saying to you is that we are doing everything possible to expand the programmes we presently have, which embrace a wide range of activities to encourage employment, to strengthen our economy—

**Mr. V. M. Singer (Downsview):** You are doing nothing.

**Mr. Makarchuk:** Well Mr. Chairman—

**Hon. Mr. Grossman:** I am suggesting that we are responsible. And to say that my predecessor and this department were not successful because we have 200,000 unemployed in Ontario, is to say the least, unfair. It is very difficult for a province to work against

the fiscal and economic policies of a federal government. We are doing the best we can.

**Mr. Makarchuk:** I would agree in that respect where the minister says that you do have a federal government, and it would be very difficult for the province to work toward one end, toward a full-employment economy, where you have a federal government that works in the opposite direction. I quite agree with you. But at the same time—

**Mr. Haggerty:** They handled the unemployment problem in Manitobal

**Mr. Makarchuk:** Yes, they have less than we have as a matter of fact.

**Hon. Mr. Grossman:** And Manitoba is also encouraging foreign investment.

**Mr. Makarchuk:** Well, we are not arguing about that at the moment.

**Hon. Mr. Grossman:** You were.

**Mr. Makarchuk:** I would like to point out to the minister that the Minister of Labour (Mr. Carton) has indicated that in the plant shutdowns in Ontario the ratio is something like two to one in terms of the number of workers who were thrown out of jobs by foreign-owned plants than by Canadian-owned plants. And I think you should bear this in mind when you say you are encouraging investment. It is the kind of foreign investment you are encouraging that we are questioning. We will get into that later on. But what I am trying to find out from the minister right now is just exactly what you are doing. You are not really doing anything in terms of trying to ensure that there is employment or full employment. And I think that you have the power.

In the first place, at least publicly, we could demand publicly—and this has been done on a few occasions recently in rather subdued tones—that the federal government's policy should be attacked. I will grant you that some statements to this effect have been made. But on the other points, we look at the situation of the countries in Europe, such as Sweden, or Switzerland, or Denmark, or Norway or even Britain, that—

**Mr. Haggerty:** They have unemployment there too.

**Mr. Makarchuk:** —they have their unemployment. Britain has the highest unemployment rate and it is three per cent. In our

case, if we had a three per cent unemployment rate we would consider that as an economic miracle. I should point out that Switzerland has an unemployment rate of something like 0.0015 per cent, or roughly 100 people who are supposedly unemployed in the country. Other countries have a much lower unemployment rate, we know. West Germany has an over-employment rate.

Now they are using certain economic techniques and certain government involvements to ensure that there is full employment in the country. Sweden, as an example, is a country of only about seven million people, which is equivalent to what we have in Ontario, and they manage to have a full employment or over-employment problem. In fact, they cannot expand their economy because of a shortage of workers. We have an opposite situation.

And what the minister is telling us is that we are doing the same thing we have been doing for years. Well, it is not a solution to the problem, and I want to know if you have anything new to offer. Obviously you have not.

**Hon. Mr. Grossman:** I have told you what we have new to offer.

**Mr. Makarchuk:** You have nothing.

**Hon. Mr. Grossman:** Well, do you want me to suggest that we can pull some miraculous thing out of the sky?

**Mr. Sargent:** Yes.

**Hon. Mr. Grossman:** Well, I am telling you we cannot. We cannot. What I am telling you is that there are certain ways that you can help the economy and provide jobs and that is by intensifying the efforts that can be made to provide those jobs by way of investment, by way of exports. These, of course, are traditional ways. Now what the hon. member is suggesting really is that these will never work. He says you have got to go into a planned economy. That is what you are saying, is it not?

**Mr. Makarchuk:** Well, if—

**Hon. Mr. Grossman:** Well then, say so.

**Mr. Makarchuk:** We are not arguing that.

**Hon. Mr. Grossman:** All right then.

**Mr. Makarchuk:** We have been saying that for years; that you have to do some planning with your economy.



**Hon. Mr. Grossman:** I know. You all believe in a planned economy until you get into office. I ask you why Mr. Schreyer does not do the same thing, why he wants to look like a Bay Street broker? He tells all—

**Mr. Makarchuk:** I would suggest to the minister that he read the reports of the Manitoba Development Corporation and find out. In fact, I have them over here if you want to look at them; and I think you should look at them and see what the philosophy behind the Manitoba Development Corporation is; that they are looking at a planned economy, that they are looking to ensure that they can provide jobs for the people in Manitoba, and do not—

**Hon. Mr. Grossman:** Well, you are just—

**Mr. Makarchuk:** Certainly there are certain ways of doing this, but what I want to know is, are you using the certain ways to ensure that there is employment?

**Hon. Mr. Grossman:** This government is not going to get into a socialist economy, socialist society in order to accomplish what the hon. member thinks can be accomplished by doing that, because in the first place we do not think it will accomplish that, and it has not accomplished it in other places. The circumstances are different. There is no doubt about it, that our economy suffers from the fact that it depends so much upon our huge neighbour. We are like a mouse living with an elephant next door. It is very difficult to try to live in such a way that—

**Mr. Sargent:** You can give them all the money they want to build here though.

**Hon. Mr. Grossman:** —to live in such a way that you are not affected by the actions of the elephant. And these are the facts of life; we are here and we are next to it.

**Mr. Sargent:** "Come in boys, help yourselves. How much do you want?"

**Hon. Mr. Grossman:** We are next to it and it is most difficult. And of course this is what we are struggling to do, we are struggling to have more control over our economy so that we will not be so affected every time the elephant sneezes. Now, saying that and doing something about it is very different.

**Mr. Makarchuk:** Two different things.

**Hon. Mr. Grossman:** Two different things.

**Mr. Makarchuk:** You will say it, but you are not going to do it.

**Hon. Mr. Grossman:** And this is what we are trying to do. We are trying to do it within the framework of a jurisdiction—

**Mr. Makarchuk:** Name one instance—

**Hon. Mr. Grossman:** I just told you.

**Mr. Makarchuk:** —of where you are trying to do it?

**Hon. Mr. Grossman:** If the hon. member will give me a chance. We are trying, within the framework of the powers that are available to a provincial jurisdiction, to do what we can by, for example, encouraging greater incentives for Canadians to invest in their own economy. And we even have to be careful in that, because we may get into a sort of a trade war with other provinces, and this is not a good thing either; it will not be a good thing for the country.

So I am suggesting the hon. member, as is usual with members of his party, oversimplifies things. It is very simple; just take control of everything, just take control of business, take control of your imports, take control of the actions of practically every individual involved in our economy and then you can settle the problems.

In the first place it is a hell of a risk to take, taking away everybody's freedom because you have some plan in mind which might work—and so far it has not.

**Mr. Peacock:** Like they have in Manitoba?

**Hon. Mr. Grossman:** It has not worked in Manitoba. They have unemployment in Manitoba. Manitoba is doing its best, its damndest, to encourage foreign investment.

**Mr. Peacock:** You said they were not to rely on the old shibboleths that you are preaching about now.

**Hon. Mr. Grossman:** They are not. They are encouraging foreign investment. As a matter of fact this is one of our concerns. We are doing our best to try to avoid being so dependent on foreign investment in Ontario while other provinces, taking advantage of our actions in this respect, are moving out and trying to take up the slack, and to some extent with the help of the federal government, are successful in doing it.

And I could point out chapter and verse of some of the companies we have lost to other provinces. I just do not want to get

involved in a situation where I appear to be fighting federalism, which is of course what everybody would like to make sure—

**Mr. Singer:** When did you change from that?

**Hon. Mr. Grossman:** Change from what?

**Mr. Singer:** You do not want to appear to be fighting federalism?

Interjections by hon. members.

**Mr. Makarchuk:** Mr. Chairman, I am still trying to find out from the minister how he is going to create jobs or ensure that jobs are available in Ontario. This has been suggested to you in terms of resource industries, ensuring that we have further processing and fabrication in our industries, and you have done nothing about that.

There is a smelter at Cobalt. The suggestion was made that if private enterprise is not going to do it, then we should go into it and build the smelter ourselves or we do not necessarily have to do it ourselves, we could do it as Manitoba is doing, incidentally, with Versatile Manufacturing, and the bus manufacturing company, taking equity capital or share in the capital.

A good example is in an issue of International Nickel's magazine for 1971, No. 1. It gives an example that in Huntington, West Virginia, they are taking Canadian copper and Canadian nickel and producing monometal. They are employing 3,000 people and they are putting out a payroll of something like \$40 million a year. This is the kind of substantial employment that we want in Ontario, not the pots and pans industry that you have been encouraging so far.

There are many areas where we could carry this out to provide substantial employment. I notice the minister made a statement in the House regarding STOL aircraft, that there are some discussions as to whether they may or may not move out of Ontario, and you have assured the House that there is no such thing in mind. Now there is an industry that can provide a great deal of employment. It can provide the kind of employment that pays good wages, it will more than likely be an ongoing industry and there is something where you could be involved, at least ensure there is development in that kind of industry.

The Minister of Transportation and Communications (Mr. MacNaughton) has said that we are going to place the emphasis on public transit. If you look at our public transit, at the various railway cars that we have in

operation right now, the systems, that there is a great deal of room for improvement in those areas. Perhaps we cannot be the leaders in this thing; perhaps we should see what other countries are doing in terms of developments. Perhaps we could work out some licensing arrangements to produce the speedy means of ground transportation that are available. But, again, there is nothing being done.

Sweden, as an example, a country of seven million people, has, I think, the third largest shipbuilding industry in the world. If you look at the Ontario shipbuilding industry, it is negligible—it is not negligible, I should not say that, but it is of minor importance to the province. Again, this is an area where you could have substantial employment and highly paid jobs.

These are the three areas I pointed out where the government should be actively involved, should be pursuing it, at least doing some feasibility studies to find out what is happening and what can be done provincially to do the things we are best equipped for. And you are not doing anything.

**Hon. Mr. Grossman:** Let me make it clear, in the first place—you are asking for specific things of this department, you were not talking about the government per se.

Let me point out in the first place that although these countries are doing so well, we seem to be doing a pretty good business in immigration to Ontario from some of those which the hon. member has mentioned. They are always Shangri-las when you are talking about them, but somehow or other, their people are trying to come here. And when they come to Canada, they usually come to Ontario.

Secondly, in some of the solutions the hon. member is suggesting we might attempt, he is comparing us with countries which are, well, I suppose you call them unitarian. They are one-jurisdictional countries where—

**Mr. Peacock:** Unitary?

**Hon. Mr. Grossman:** Unitarian? I am sorry, we are getting into religion there. We have some difficult problems here related to our size and the number of jurisdictions involved.

The hon. member is talking about the government. I should tell him that at the urging of this minister and this department the government is taking a complete look at the resource industry with a view to finding out how we in Ontario and in Canada can look after our own resources and take over—

not take over, but in fact carry on the resource industries as Canadian—

**Mr. Makarchuk:** “Waffle” Grossman they will call him.

**Hon. Mr. Grossman:** —industries exclusively. I do not want to make a statement I am not prepared to back up. I want to tell you that this is a study that has been undertaken now by an interdepartmental task force.

**Mr. J. B. Trotter (Parkdale):** Would you be in favour of the government taking over 51 per cent control?

**Hon. Mr. Grossman:** No, not if we can avoid it.

**Mr. Makarchuk:** Mr. Chairman, can the minister say when this study was instigated and when he expects to have some final or rough draft available for his own perusal?

**Hon. Mr. Grossman:** This study was instigated about three or four weeks ago.

**Mr. Makarchuk:** I see. And you are going to have a report—

**Mr. Sargent:** What about the industrial policy advisory committee?

**Mr. Chairman:** The hon. member for Grey-Bruce—is the member for Brantford through?

**Mr. Makarchuk:** I will yield the floor for a while, I know he is anxious.

**Mr. Sargent:** That took 20 minutes, it should be all right. Was that under the industrial advisory policy, what you were talking about?

**Hon. Mr. Grossman:** No.

**Mr. Sargent:** What is the function of the industrial advisory policy?

**Hon. Mr. Grossman:** What do you mean by the industrial advisory policy? Do you mean the industrial advisory committee?

**Mr. Sargent:** Yes. Industrial policy advisory committee.

**Hon. Mr. Grossman:** There is no such committee.

Interjections by hon. members.

**Mr. Sargent:** I see. There is no such committee? It says here the industrial policy advisory committee and there is no such committee?

**Mr. Trotter:** Unless it has gone onto the rocks.

**Hon. Mr. Grossman:** Are you talking about the—which one are you talking about?

Interjections by hon. members.

**An hon. member:** We do not know what you are talking about, how can anybody else?

**Mr. Sargent:** There is no such committee, eh?

**Hon. Mr. Grossman:** I just tell you that the committee has not been set up yet.

**Mr. Sargent:** But you are asking money for it?

**An hon. member:** Read us a statement on that one.

**Mr. Sargent:** The industrial policy advisory committee.

**Mr. Peacock:** Mr. Chairman, would the minister read us a statement now, before we leave vote 2201? Or maybe we should wait for the estimates of trade and industry.

Interjections by hon. members.

**Mr. Sargent:** Read from minus one now.

**Mr. Chairman:** This has to do with the main office? We have rambled a lot so far.

**Mr. Sargent:** Sure, industrial policy advisory committee.

**Hon. Mr. Grossman:** Vote 2201.

**Mr. Chairman:** Just a minute now. Have you anything more?

**Mr. Sargent:** Well, I would like to know where we are going on that and how much money we are spending on it.

**Hon. Mr. Grossman:** On what?

**Mr. Sargent:** On the committee we do not have.

**Hon. Mr. Grossman:** We are not spending any money because it has not been set up yet.

**Mr. Sargent:** Why is it in here then?

**Hon. Mr. Grossman:** Well, it was planned, that there be an industrial policy advisory committee.

**Mr. Sargent:** Is that not great!



**Hon. Mr. Grossman:** The hon. member should not confuse that with the Ontario housing advisory committee.

**Mr. Sargent:** I am not, I am reading the book. Why do you not try, you would find out a bit of what is going on?

**Mr. B. Newman (Windsor-Walkerville):** That is the present tense and that means you have it.

**Mr. Sargent:** So what is happening now?

**Hon. Mr. Grossman:** We have not appointed an industrial policy advisory committee and there is no money in there—

**Mr. Sargent:** Oh, there is no money in there for it? Why are we voting on it?

**Hon. Mr. Grossman:** We are not voting for any money on that. The plan originally was to have a committee of people who are experts in this field, and it would probably be a committee which would not be paid. It would be people who would be prepared to offer their services as a public—

**Mr. Sargent:** Oh, come on.

**Hon. Mr. Grossman:** That is exactly what was proposed originally, and I am not ready for such a committee yet and until we are ready for it we will not appoint one.

**Mr. E. R. Good (Waterloo North):** You know it is included in here.

**Hon. Mr. Grossman:** I know, but there is no money. The amount of money involved would be so negligible it would not make any difference if it was included in here or not.

**Mr. Trotter:** It is under item 1.

**Hon. Mr. Grossman:** I know, but we just do not have a committee.

**Mr. Chairman:** Have you given up the floor?

**Mr. Sargent:** No, I have not.

**Mr. Chairman:** Then go ahead. You have the floor. I will put your name down, Mr. Peacock.

**Mr. Sargent:** Under this "information services," that is a big ball of wax. We are talking about 2201, is that right, Mr. Chairman?

**Mr. Chairman:** Right.

**Mr. Sargent:** Anything under vote 2201, it is okay to talk about it?

**Mr. Chairman:** No, we are dealing with item 1, vote 2201.

**Mr. Sargent:** What have we been talking about now?

**Mr. Chairman:** It is just your tough luck if you have not been listening.

**Mr. Sargent:** It is the main office. He was not talking about the main office, he was talking policy.

**Mr. Peacock:** Main office.

**Mr. Sargent:** Is that policy?

**Mr. Peacock:** The minister is the guy who is responsible for making the policy.

**Mr. Chairman:** May we have a little order, please?

**Mr. Sargent:** All right, what is your policy then insofar as—discussing policy on a new concept for modular housing, where do you talk about that?

**Mr. Chairman:** Under housing.

**Mr. Sargent:** And where do you talk about the money for your industrial policy advisory committee?

**Hon. Mr. Grossman:** You could talk about it here except there is no such committee, at the moment, and if there is, the amount of money involved would be so negligible that—

**Mr. Sargent:** What have you got in here? What is it mentioned for?

**Hon. Mr. Grossman:** Because it was planned on setting one up and it still is. It is just not set up yet.

**Mr. D. Collins (Deputy Minister):** I might explain, Mr. Chairman, that the Treasury, in setting up budgets, sets out for any new programme or any new agency, and that is why it is detailed since it is a newly proposed programme. The only cost that was visualized, as I understand from the chief accountant here, was that there would be out-of-pocket expenses, if that was involved, so that there are no particular moneys attached to this.

**Mr. Sargent:** Can we talk about Ontario House here, or not yet?

**Mr. Chairman:** No, you are down on to item 5 when you talk about Ontario House.

**Mr. Sargent:** You are on item 1 now, you are on main office.

**Mr. Chairman:** Yes.

**Mr. Peacock:** Before you leave item 1, on the same point—

**Mr. Trotter:** Well, no—

**Mr. Chairman:** On item 1?

**Mr. Trotter:** Yes, on item 1, I would just like to know what the government has in mind with its industrial policy advisory committee. You say there is no money to be voted on it and yet it is under programme description. I would like to have some idea if the government has any idea of what it plans to do. Do you have any full-time staff for this—

**Hon. Mr. Grossman:** We have no full-time staff for this at all.

**Mr. Trotter:** Then why in the world would it ever appear in the estimates?

**Hon. Mr. Grossman:** As I mentioned in the House, Mr. Chairman, at the present time we are engaged in a reorganization of the department and I refuse to have a committee appointed while we are engaged in this reorganization if it appears it may have some function which may interfere with that reorganization. I am not too sure that that committee would at this stage.

**Mr. Sargent:** You did not even know there was a committee until a minute ago.

**Hon. Mr. Grossman:** It was in the Throne Speech. What do you mean there was no committee?

**Mr. Trotter:** Is it the government's plan behind this industrial policy advisory committee to attack the whole problem of the threat of American control of our resources in this province?

**Hon. Mr. Grossman:** No. The plan originally was to study the whole industrial policy as it relates to trade and industry, ODC—all the matters relating to the work we do in the field in the area of industry.

**Mr. Trotter:** So I am correct in assuming that at this point, nothing has been done and it is just in a state of plan?

**Hon. Mr. Grossman:** A lot has been done; you are not right in assuming that. It has just been done without an industrial policy advisory committee.

**Mr. Trotter:** And without spending any money?

**Hon. Mr. Grossman:** Without spending any money on an industrial policy advisory committee.

**Mr. Trotter:** And when you do make a plan, or are proceeding to line up some type of policy, some type of committee, where are your so-called out-of-pocket expenses coming from? Under what vote? Where? It is costing you money someplace.

**Hon. Mr. Grossman:** It will come out of this vote. Presumably the main office vote.

**Mr. Makarchuk:** Mr. Chairman!

**Mr. Peacock:** Mr. Trotter is not through, Mr. Chairman.

**Hon. Mr. Grossman:** I am advised, Mr. Chairman, it would come under the services section, where there is \$50,300, but that would not necessarily be for the policy advisory.

**Mr. Trotter:** Well, have you any idea how much money it is going to cost this year?

**Hon. Mr. Grossman:** For the committee setup?

**Mr. Trotter:** Yes.

**Hon. Mr. Grossman:** I would rather imagine it would bring somewhere in the hundreds or more.

**Mr. Trotter:** Hundreds of dollars? Hundreds of thousands?

**Hon. Mr. Grossman:** Yes. Hundreds of dollars.

**Mr. Trotter:** Well, you do not plan to do very much.

**Hon. Mr. Grossman:** Well, you could have a committee without spending a lot of money. We have very many committees that are doing a great deal of work for the government who do not run into a lot of expense.

**Mr. Trotter:** Mr. Chairman, I cannot conceive of this government doing much when they are just spending a few hundred dollars. They just do not operate that way.

**Hon. Mr. Grossman:** When I operated my previous department, I remember I had a committee called MACTO which met regularly, did a tremendous job over the years, and cost the government very little. We have committees in this department—

**Mr. Trotter:** Have you any idea who will be on this industrial policy committee?

**Hon. Mr. Grossman:** What does the women's advisory committee cost?

**Mr. Trotter:** Better not get on that women's advisory committee. When they started a few years ago they had a dinner that cost \$17,000. That is some dinner!

**Hon. Mr. Grossman:** That is not what I am talking about. When we set up a policy advisory committee we will not give them each a cocktail party.

**Mr. Trotter:** I see. Where in this particular department is the government attacking the problem of American control and American investment in Ontario? Under what vote does it come?

**Hon. Mr. Grossman:** We are not fighting the policy of American control or American investment. We are doing our best to get as much of our investment and as much of our control into Canadian hands.

**Mr. Trotter:** All right.

**Hon. Mr. Grossman:** It is not against Americans or anyone else. We still, as a policy, welcome American and other foreign investors into Canada.

**Mr. Trotter:** All right. Let us talk about control. I am not against American investment. I am concerned about American control. I assume, this being Trade and Development, where is this government looking into this problem? You have had a big conference; you spent money—

**Hon. Mr. Grossman:** It is very simple. The question of control of foreign investment in this country lies in the federal jurisdiction.

**Mr. Trotter:** Oh nuts! Come on!

Interjections by hon. members.

**Mr. Trotter:** This is one of the major financial jurisdictions in North America, right here in the Province of Ontario.

**Hon. Mr. Grossman:** Well I for one would be very pleased if we could have some recommendations from this committee as to how this province—

**Mr. Trotter:** Which? The committee you have not got?

**Hon. Mr. Grossman:** Just a moment. Please. Recommendations from this committee, the

estimates committee, or any members of the House by which we can exert control in this field without jeopardizing the position of the people, the working man in this province, to other provinces. This is, as I mentioned earlier, happening now as a matter of fact.

**Mr. Trotter:** Well, there are other reasons—

**Hon. Mr. Grossman:** What we are talking about is exerting control, putting into effect legislation or a policy which in fact would have the effect of controlling investments in this province without the federal government taking an action which would, in fact, cover the whole of the country.

Interjections by hon. members.

**Mr. Trotter:** You could do a number of things through the various departments. For example, I think belatedly the Minister of Lands and Forests (Mr. Brunelle)—

Interjections by hon. members.

**Mr. Chairman:** Order! Order!

**Mr. Trotter:** I think, belatedly mind you, this would affect industry particularly in the north—the recreation industry for example—if you permitted Americans to buy as they darn well please the north shore of Lake Superior. Now the minister, Mr. Brunelle, is said to be thinking about doing something about stopping this, but nothing has been done.

**Hon. Mr. Grossman:** Well that is a different thing altogether—

**Mr. Trotter:** No. There is one industry alone. Surely your recreation industry, tourism, is a major industry.

**Hon. Mr. Grossman:** There is no recreation industry involved in that. We are talking about them buying up cottages.

**Mr. Trotter:** All right.

**Hon. Mr. Grossman:** There is no recreation.

**Mr. Trotter:** You go into northern Ontario and it is one of the major recreation areas we have.

**Hon. Mr. Grossman:** Not cottages. All you are saying in fact is—

**Mr. Trotter:** No I am not—

**Hon. Mr. Grossman:** All they can do, the only alternative they have, is to go to another province and buy their cottages and live there. We are not talking about them going



in and being stopped from building an industry which will employ hundreds, perhaps thousands, of people and taking their choice and going to another province.

**Mr. Trotter:** One Duluth lawyer can have 7,000 acres of prime land in Ontario, cottages or no cottages, and most of them in this case have no cottages. Certainly it is a matter of major concern which will affect industry.

**Hon. Mr. Grossman:** I would suggest to you that that is a red herring.

**Mr. Trotter:** Oh no! Nonsense! Come off it! It is no red herring.

**Hon. Mr. Grossman:** It has nothing to do with trade, and it has nothing to do with industry, and it has nothing to do with employment.

**Mr. Trotter:** Is tourism not an industry? It is one of the major industries in the province.

**Hon. Mr. Grossman:** That has nothing to do with tourists.

**Mr. Trotter:** The control of our northland? It certainly has.

**Hon. Mr. Grossman:** You are talking about the buying up—

**Mr. Trotter:** The taxpayers of this province can pay for a new highway, for example, from Timmins to Sudbury and unless you have some type of control—and it will certainly produce industry—you open up new lands and the American investor goes in and speculates and holds it.

**Hon. Mr. Grossman:** That is another matter altogether.

**Mr. Trotter:** It certainly is not. I am talking about a major industry in this country.

**Hon. Mr. Grossman:** What industry is involved there?

**Mr. Trotter:** Tourism! It is a big buck!

**Hon. Mr. Grossman:** How is tourism involved?

**Mr. Trotter:** You have given it away.

**Hon. Mr. Grossman:** There is no tourism involved in that at all. As a matter of fact they will tell you in those areas—

**Mr. Trotter:** I am trying to conceive of a minister of this government saying that tourism is not involved.

**Hon. Mr. Grossman:** That is not what I said. I said it was not involved in this particular subject matter you are talking about; about foreigners coming in and buying up cottage lands. That does not affect tourism at all.

**Mr. Trotter:** You mentioned the cottages, I did not.

**Hon. Mr. Grossman:** When I go to my cottage, about 90 per cent of the provisions I use I bring with me. Now if that cottage was sold to somebody else, they would also bring their provisions with them.

**Mr. Trotter:** Well I do not.

**Hon. Mr. Grossman:** If you are talking about industry, we are talking about employing people. Now if you are talking about employing people, I say to you that that is an entirely different ball of wax, as the great Eddie Sargent would say.

It is if you are talking about putting some restrictions on a company which they have to abide by only in the Province of Ontario. And the more restrictions you put on them, the more there is an inclination, and there is evidence already of this, that they will say to hell with it, we will go into the Province of Quebec or the Province of Manitoba, or some other province. We have got to protect the working people of this province. There are enough of them out of work now.

**Mr. Trotter:** All right—

**Hon. Mr. Grossman:** Inasmuch as we would like to have control of all of our economic destiny and all of our cultural destiny, at the moment our big job is to get as many people back to work as possible. I am sure the hon. member would recommend that. If I went around everyone's riding—

**Mr. Makarchuk:** The problem is, you are not doing that.

**Hon. Mr. Grossman:** If I went around everyone's riding represented here and showed you the industries in your riding which are foreign-controlled and I asked you: Shall we start it right as of tomorrow? And say: Let us close those people out—

**Mr. Trotter:** No. Do not be silly.

Interjections by hon. members.

**Mr. Chairman:** Now! Now! Order! The member had his chance. If you want to speak again, I will put your name down.

Interjections by hon. members.

**Mr. Trotter:** Look, let us not make the argument ridiculous because I am not saying to go around closing up industries. Nor am I against foreign investment. I do question the degree of foreign investment in particular places and the matter of control.

**Hon. Mr. Grossman:** Join the club!

**Mr. Trotter:** Now, the Japanese have used a lot of American money. They never lost control. The Americans used billions of pounds of English money, but they never lost control. We have. This is a matter of degree. It is a matter of common sense.

**Hon. Mr. Grossman:** I agree.

**Mr. Trotter:** All right! I would like to ask the minister this. You say that because of your new policy we have lost a number of companies that would have come to Ontario but have gone to other provinces. Have you any idea of how many companies Ontario has lost within say the last year that have gone to other provinces?

**Hon. Mr. Grossman:** Well, we have documentation of a number of companies—

**Mr. Trotter:** How many?

**Hon. Mr. Grossman:** At the moment I am not in a position to say. I do not remember. There are not that many. But in one case, at least, it was a very, very large industry.

**Mr. Good:** Who was it?

**Mr. Trotter:** Why? Why? Are you saying because you did not want the Americans here? Remote control? Why would we lose it?

**Hon. Mr. Grossman:** It had nothing to do with that. All I am telling you, all I am saying to you, is that if we add more restrictions only in the Province of Ontario then we are going to make it even more difficult—

**Mr. Trotter:** Well, what restrictions have you got now that we would lose any company? What are the restrictions here?

**Hon. Mr. Grossman:** In the first place, a businessman in the Province of Quebec can tender for jobs for business in this province, in fact, for government jobs. They are tendering and, in many instances, are getting

hundreds of thousands of dollars worth of contracts in the Province of Ontario. If that operator is located in the Province of Ontario and does not have a head office in the Province of Quebec, he cannot tender on government operations there. There is one example what a restriction will do.

**Mr. Trotter:** That has been going on for some time.

**Hon. Mr. Grossman:** The businessmen are beginning now, because the economy is not that good, to worry about things like that because that could make the difference between a viable operation and one which is not. The more of these restrictions you think up the more we would put on. Unless they are handled at a federal level covering the whole of this country, we are going to be sacrificing our own people and our own economy for other provinces. We are having a difficult time now having regard for what the federal government is doing in its regional expansion programme. If we add to that, we are going to have an economic wasteland here; it could happen.

**Mr. Trotter:** That argument just does not bear up at all.

**Hon. Mr. Grossman:** It does bear up.

**Mr. Trotter:** —because, look, the Quebec government has been favouring people locating in Quebec for government contracts for some time. As a matter of fact, industry is coming to Ontario in preference to Quebec. This has been going on for the last four or five years.

**Hon. Mr. Grossman:** No; it has not been going on to the extent that it has been going on in the last year or two. It has been intensified tremendously by—everyone knows here that the federal government is carrying on a policy—they have said it quite bluntly. The Prime Minister of this country said we have to cool out Ontario. They are cooling out Ontario and we are looking against that stream and it is very difficult.

**Mr. Trotter:** Have you anything to indicate that? There is no question that the federal government has tried to cool off Ontario but have you any indication that it actually has hurt the Province of Ontario?

**Hon. Mr. Grossman:** Yes.

**Mr. Trotter:** Have you any facts or figures?

**Hon. Mr. Grossman:** Yes, we will get them for you before this meeting is over.

**Mr. Trotter:** I would like to see them.

**Hon. Mr. Grossman:** The only problem with that, and I must—I will get those facts if the committee wants them. I will just tell you this. I do not like to be put into a position, this government does not like to be put in a position of being marked as fighting the federal government and the other provinces.

**Mr. B. Newman:** What have you been doing for two years?

**Mr. Trotter:** You have been knocking the federal government for God knows how long.

**Hon. Mr. Grossman:** You forced me into the position in order to defend the policy of this department and the government. I have to tell you why and, in telling you why, the facts come out. What we are doing is our best to carry out a policy to expand industry in this province in a positive way—

**Mr. Trotter:** I favour that.

**Hon. Mr. Grossman:**—even in spite of the handicaps that we are faced with, having regard for the policies of the federal government; not only in respect of its economic and fiscal policies, and you must admit that they handicap our policies, but also in respect of its economic-regional expansion policies. This has done a tremendous amount to what the federal government has been attempting.

**Mr. Trotter:** All right, I will give you a practical example. We all admit that Cornwall needs help. The unemployment there is about 18 per cent high, and it is bad. But why is it necessary for this government to give a forgivable loan to Pfizer, the drug company Pfizer which is producing the type of drug that could be done by a Canadian-controlled firm?

**Hon. Mr. Grossman:** Mr. Chairman, I suggest we get into that when we get into the ODC vote. We will have the officials here who have all the facts and who would be pleased to give you all the facts you want. You are going into details of things, I think—

**Mr. Trotter:** Okay, one final question: Assume that the federal government has a policy to try to cool out Ontario. In what way does it actually stop any kind of industry locating in Ontario if the Ontario government wants it there?

**Hon. Mr. Grossman:** Do you want to ask me that at the time that we get to that vote? I will have all those facts then. I can recall one letter from an industrialist in which he says why should he go to Ontario when here is what was offered to him in Quebec. In addition to what Quebec offered, and in addition to what the municipality in the Province of Quebec offered him, there was also what the federal government offered him and that ran into millions and millions more than we were prepared to do. I suppose that if we had been prepared to outbid them and we got the power of the federal government behind them, we would never out-bid and we would be back where. As a matter of fact, I think this one particular industry walked in almost without a dime or so little that it was of no consequence—

**Mr. Peacock:** You would not want an industry like that in this province?

**Hon. Mr. Grossman:** Not really.

**Mr. Trotter:** But I really can assume from what you have said his so-called industrial policy advisory committee—what is it? is a whitewash job you have got going for you.

**Hon. Mr. Grossman:** It is not a whitewash job; it was planned. It was planned that we set up an industrial policy advisory committee. I still have it in mind but until some of the reorganization has been finalized in the department I want to see precisely where it will fit into the plans. It would have been a simple matter for me to tell this committee I expect to have a committee appointed next week and go out and appoint a committee. I just do not intend to go about and do it that way. When we are ready for it, we will then announce it and tell you who is on the committee and precisely what their terms of reference are—

**Mr. Trotter:** Any idea how long it will take?

**Hon. Mr. Grossman:** It may be that we will do without it altogether. I do not know and, if I do, there may be a thousand bucks left over in the estimates for that.

**Mr. Chairman:** Mr. Peacock.

**Mr. Peacock:** Mr. Chairman, since the industrial policy advisory committee is listed here in the programme notes, would it not be the case that the Treasury Board has included an expenditure under this vote for its purposes?



**Hon. Mr. Grossman:** This is the new PPBS—programme-planning-budgeting system.

**Mr. Peacock:** That means that expenditures are usually set up by programme. Here is one that is mentioned right here in our estimates book and the minister says that there is no expenditure for it?

**Hon. Mr. Grossman:** I did not say that there was no expenditure for it.

**Mr. Peacock:** It comes under the first vote.

**Hon. Mr. Grossman:** What would you have included under that? Mrs. Cameron tells me it would be about \$1,000 under the services vote.

**Mr. Peacock:** The minister said earlier that there was already a process of reorganization being undertaken in respect to trade and industry, ODC, and so on. Why would such a committee be necessary in the light of that reorganization?

**Hon. Mr. Grossman:** Because that was my original plan. I discussed it with the Prime Minister and it was decided that this would be a good idea at the time. As I had more experience with the department, I felt that there were other things that had priority.

**Mr. Peacock:** We could take it then that this is pretty well abandoned?

**Hon. Mr. Grossman:** No; I would not say that.

**Mr. Peacock:** Once the reorganization is complete, what tasks or assignments would you think that the committee is likely to get?

**Hon. Mr. Grossman:** It may have its original organization—

**Mr. Peacock:** Despite the reorganization?

**Hon. Mr. Grossman:** Yes.

**Mr. Peacock:** Where will it fit within the task force that the provincial Treasurer (Mr. McKeough) is undertaking—

**Hon. Mr. Grossman:** That is another reason—

**Mr. Peacock:** —on foreign ownership as a result of the—

**Hon. Mr. Grossman:** That is another reason. I think what we want to do is also fit that into the framework of the general plan.

**Mr. Peacock:** How?

**Hon. Mr. Grossman:** This is what we want to have some time to think about.

**Mr. Peacock:** Has the minister not yet been advised by the provincial Treasurer as to what role the Treasurer wants him or such agencies of his department as an industrial policy advisory committee to play in this whole study of foreign ownership?

**Hon. Mr. Grossman:** No. We have not gone as far as what task such a committee would have. That has not been discussed.

**Mr. Peacock:** Does the minister think that appropriate to the terms of reference to such a committee would be the consideration of the attitude of the companies investing in this province toward laws enacted by the Province of Ontario requiring disclosure about such things as the extent to which foreign residents own the company or control it, the extent to which the company carries on trade between its various components or branches within Canada and those outside Canada, the extent to which decisions are made overseas or across the border to the south of us, resulting in shut-downs like, say, the Eaton automotive plant in London, Ontario?

Does the minister not think that some kind of programme should be established to bring about some kind of knowledge, if not control, over the way in which foreign-owned and foreign-controlled companies operate in this province? Why is much of our knowledge about the activities of these companies so much less than a shareholder of a United States corporation, a resident in the United States would know about his company's affairs? Why is it that with so many large corporations, some Canadian-owned and resident in Ontario and others foreign-owned or foreign-controlled, we cannot get sales figures? We cannot get a breakdown of sales figures by subsidiaries. We cannot get a profit and loss statement or balance sheet by subsidiary of the parent corporation. This is true of course, not simply of foreign-owned firms but also of Canadian-owned firms under our disclosure laws and our Business Corporations Act. Why is it that we—

**Hon. Mr. Grossman:** I guess the answer to that is we are again getting into a discussion on a different philosophy.

**Mr. Peacock:** No, I am coming back to the topic of foreign ownership.

**Hon. Mr. Grossman:** I know, but when you are talking about disclosures, you are talking about just how far you go into somebody's business—

**Mr. Peacock:** Yes.

**Hon. Mr. Grossman:** —and make it your business as a government to know precisely what he is doing, how much money he is making, everything. I presume that The Department of National Revenue knows what a company is making and if they do not, they should. That is another reason why this should be, if anything, a matter for the federal government.

**Mr. Peacock:** Does the minister seriously think that a major international corporation which wished to locate in the heart of the Canadian market here in the Province of Ontario—somewhere within a 50- or 60-mile radius of Metropolitan Toronto—would object to the requirement that it disclose the same kind of information that it must disclose to the Securities and Exchange Commission of the United States or to the Michigan Department of Commerce?

**Hon. Mr. Grossman:** I do not think it should.

**Mr. Peacock:** No, why would it?

**Hon. Mr. Grossman:** I am not too sure it should—

**Mr. Good:** They have never been asked.

**Hon. Mr. Grossman:** I am not too sure it should. Quite frankly, there are some questions that we are beginning to ask in respect of companies which claim they will not move into a slow-growth area unless we give them some money. This is, you know, sort of a poker game in which the pawns in the game are maybe 100, 200 people who could be employed. It is very difficult to play poker that way when you know if you lose the game, you have lost a couple of hundred jobs.

Nevertheless, these questions are worth asking. Again, the other side of the coin is, and I repeat, if we insist upon all this information and some of them feel, apparently feel, that this is information they think is privileged to them and they should not allow some outsider to come in and ask them these questions; and if they feel they could go to Manitoba—it is a great province—and they say, "We can go to Manitoba, they will not ask us all these questions—"

**Mr. Sargent:** Quit vacillating.

**Hon. Mr. Grossman:** I am not vacillating. You do not understand.

**Mr. Peacock:** If the market economics permit them to go to Manitoba! But if they have to be down at Oakville or Oshawa or Brampton or Orangeville in order to serve the Toronto-Montreal markets—

**Hon. Mr. Grossman:** There is a great deal of concern. This is what the government's task force is, hopefully, going to be able to find out and come up with something.

**Mr. Peacock:** We have been waiting for—what?—2½ to three years now, for the federal government task force headed by the Minister of National Revenue. That is going to remain a secret document; it will be for cabinet use only. We will never know what the contents are. We—

**Hon. Mr. Grossman:** No, that has not helped us. Some people have wanted to come into Ontario. On the other hand, if you want to discourage foreign investment, the holding up of that report has discouraged it. I did say this.

**Mr. Sargent:** You are not going to discourage them.

**Mr. Peacock:** It has what?

**Hon. Mr. Grossman:** Has discouraged it.

**Mr. Peacock:** Has discouraged?

**Hon. Mr. Grossman:** Foreign investment.

**Mr. Peacock:** Foreign investment.

**Hon. Mr. Grossman:** You know, we talk to some people and they say, "Until your federal government has made up its mind, we know where we are going." The last federal budget helped somewhat, but they are still a little worried about the Gray report.

**Mr. Peacock:** Yes. You know those same firms may be prepared to go to some other jurisdiction outside of Canada and live under the regulations that this government in Ottawa may only be contemplating, but which are in force in Belgium or France or West Germany, or Japan, and be quite content to operate there.

**Hon. Mr. Grossman:** I understand your point.

**Mr. Peacock:** They would be quite content to operate there under those requirements for disclosure as to how many of the outstanding capital shares of the corporation are

owned by residents of the country and how many are owned by non-residents; where the centre of control lies—in the United States or elsewhere—the intercorporation transactions that go on that affect, very vitally the trade of that country—the decisions to lay off workers is again another one that must be disclosed well in advance. Sometimes this is subject to scrutiny by the government and the government insists upon knowing the reasons for the readjustments in manpower.

It is true we do not have uniform disclosure laws of these types across Canada. But there are not that many other jurisdictions in this country, outside the provinces of Ontario, Quebec, British Columbia and Manitoba, perhaps, that are going to be alternatives to major international corporations.

**Hon. Mr. Grossman:** Well, what about those in the announcement?

**Mr. Peacock:** If they are in the manufacturing industries, if they are in the extractive resource industries—and the particular resource lies within the boundaries of this province—or the particular market for the manufactured goods lies here or the advantages of exporting from here are such that this is the province in which they should locate—

**Hon. Mr. Grossman:** You have agreed that—

**Mr. Peacock:** —do not tell me they will be deterred by the simple—

**Hon. Mr. Grossman:** You have just agreed that we should do something about the resource industries.

**Mr. Peacock:** Yes.

**Hon. Mr. Grossman:** That may not be an attraction to them in a—

**Mr. Peacock:** I have just agreed that we should do something about the resource industries.

**Hon. Mr. Grossman:** Maybe we should do something about the resource industries, about making them available to foreign investors.

**Mr. Peacock:** They are now available.

**Hon. Mr. Grossman:** They may not be!

**Mr. Peacock:** They are now available. If this government is contemplating the closure

of mines now held by foreign-owned companies—

**Hon. Mr. Grossman:** No, I am not contemplating the closure of mines at all.

**Mr. Peacock:** —that will come as a shock. What is the minister contemplating?

**Hon. Mr. Grossman:** I just mentioned it a few moments ago—studying this whole matter of the resource industries—

**Mr. Peacock:** All right.

**Mr. Chairman:** Mr. Good.

**Hon. Mr. Grossman:** —in the hope that any future activity in this area be confined to Canadians.

**Mr. Peacock:** Yes. The minister will agree then that the things we have been speaking of here this afternoon—particularly disclosure; particularly the effort to obtain knowledge about the activities of corporations wishing to settle in this province once they are established here—need not be deterrents because they live under the same kind of rules everywhere else.

**Hon. Mr. Grossman:** I would not go all the way. There are probably some areas in which there would be deterrents. I will not go all the way. It depends on what you are talking about by way of disclosure; how much information you want; how much you should expect to get from a private industry about its affairs, its method of operation, how it makes profits, and keeps its information from its competitors—I think we would have to take that into consideration, too.

If it is a company which is prepared and is required to give this information in its home country, then I do not know why they should not be prepared to do the same thing here. I will agree with you except there are pretty good reasons why they would rather get away without doing it. If there is another province—perhaps one of the provinces you referred to—which is prepared to have them without going into all that, then I am not prepared to sacrifice the opportunities which will give employment to many people here. I would not be prepared to recommend that without giving it an awful lot of consideration.

**Mr. Peacock:** You see, the corollary is the loss of tremendous quantities of savings in this province moving outside the province



for investment particularly in the United States.

The minister says he is uncertain as to the extent of disclosure. If we had the same extent of disclosure laws about securities trading and the operations of corporations in this province, as is the case in most of the states in the United States, and under their federal security laws, I venture that we would not lose the great quantities of savings we do from the banks and stockings of Ontario investors into mutual funds investing abroad, particularly in the United States.

In the 10 years prior to the writing of the national committee report on mutual funds in this country, \$1 billion of savings left this country for investment in mutual funds placing those funds exclusively in US securities. I suggest to the minister that one of the reasons such a quantity of savings left here for that kind of investment was because of the inability of Canadian investors to find out what was going on and secondly, the refusal of the major corporations to offer shares in their Canadian subsidiaries to Canadian residents.

Now, the first of those is certainly a matter we can deal with. The second may be more difficult. But there is no reason why we cannot—

**Mr. Sargent:** Why does the minister not block international unions?

**Mr. Peacock:** There is no reason why we should deter Canadian investors by keeping these artificial barriers up favouring—in our judgement, but maybe not in the judgement of the company that wishes to invest here—a deterrent of some kind—

Interjection by an hon. member.

**Mr. Peacock:** —because you ask them to disclose what their structure is and what their balance sheet shows.

**Hon. Mr. Grossman:** That is a very interesting presentation, and I agree with a great deal of it, not necessarily with all of it. Still, I am charged with the responsibility of making sure that we first look after the people of Ontario and to make sure that—again, I am repeating this; I think it is worth repeating so that we keep this in mind all the time—we are prepared to go along with any policy the federal government decides to lay down in this respect, in respect of foreign investment, providing all of the people in Canada and all of the prov-

inces are prepared to make the same effort, the same sacrifices, if any. I am certainly not here to preside over or help preside over a department which is not going to look after the interests of the people in the Province of Ontario to their detriment, while other provinces can gain from any policy which we lay down. I think that is—

**Mr. Peacock:** You would not agree with the former Prime Minister when he said in New York last year, at a Canadian businessmen's investment conference arranged by your predecessor, that we do not have the skills or the capital necessary to completely handle our own economic development?

**Hon. Mr. Grossman:** I am not too sure whether I agree or disagree. I think we have to find out whether we have the amount of money. I think—this would be easily answered. I am not going to answer it. Whether we have the skills, I am not too sure.

**Mr. Sargent:** How did the minister get the job?

**Mr. Good:** I would like to—

**Mr. Sargent:** You should have an opinion on it.

**Hon. Mr. Grossman:** Well, I was Minister of Correctional Services but I was never in jail.

**Mr. Good:** Much of what I wanted to discuss was discussed by the previous speaker. On the matter of economic nationalism, the conference of the other week brought out many points which I think this government, by the number of civil servants who were there, must surely have taken note of. Of course, there were those who said that political sovereignty is not jeopardized by any of economic freedom of takeover, but certainly the economic sovereignty of our province has been jeopardized.

The big point, I think we have to remember, is that most of the foreign control of our industry is generated right here in the province. About 27 per cent is money brought in from outside the province, and the rest is generated right here in our province, so there is no doubt about it. We have the potential and the possibility to generate our own economy.

The thing I think this department should look into, which is of most importance, is the way in which the branch plant subsidiaries are operating in ways which in fact,

can prove detrimental to the province in general, to the taxpayers in general and to the workmen in general in the province. This has to do with the fact that your middle and upper managerial people are practically nonexistent in many of those branch plants.

Many are brought in from the States for managerial purposes. That is the one point. The other point is the controls which the parent company puts on the plant regarding exports.

The minister, Mr. Chairman, is suffering from the wrong concept. People want to come to Ontario to develop industry because this is where the action is, this is where the markets are and this is where it is suggested.

**Hon. Mr. Grossman:** This is where we have good government.

**Mr. Good:** It is just as difficult to get a plant to go into some area which is not prosperous as it is to get someone to stay out of Ontario. In other words, Toronto draws three-quarters of the industry; I am sorry, about two-thirds of the industry in the Province of Ontario without any trouble at all because here is where the area is.

You know the difficulty you are going to have to increase population and industrial expansion between here and Montreal, in eastern Ontario. It is almost impossible, because the trade routes are all through the other end. In the same manner, the American corporations wanting to come into Ontario want to come to Ontario because this is where the action is. And Ontario can draw industry. Up until now there have been no restrictions put on them when they come, as mentioned before. No disclosure.

You do not know what they are doing. Sending components from the parent company into Ontario plants, you do not know if they are charging them three times what they really should be in order to get a non profit situation in the Ontario plant to prevent the taxation purposes here.

The banning of exports by the branch plant, here is something else which you should not tolerate. If a firm comes in and sets up here it should do business according to our way of doing business, regardless of how badly you want it. They will come here. You might lose the odd one, but by and large they will come here and the province will be a better place for it. If we had some of these restrictions.

Mr. Chairman, with all respect, I do not think we are going to drive many industries out of Ontario who really want to come here just by saying if you are going to do business here these are our rules; these are our regulations; you have got to give disclosure here; we want to know what your company is doing; you cannot bury all your statements in your parent company's statement; we want to know what this plant is doing here.

And if that comes down to it, personally, I feel that anybody doing business in Ontario should be doing it with an Ontario board of directors, or at least a Canadian board of directors. Basically a Canadian board of directors. It burns you up the way they fly the high price help into Kitchener and Waterloo from the States, the rubber companies. The president of the rubber company was an American citizen all the time until after he retired.

**Hon. Mr. Grossman:** Are you saying we should have in the province a law which requires any firm—

**Mr. Good:** I am not saying you should have a law, but you should be thinking along these lines.

**Hon. Mr. Grossman:** Well, we are thinking along these lines.

**Mr. Good:** You have been thinking. But nothing has been done up until now.

**Hon. Mr. Grossman:** Tell me this. What would you do, let us get down to specifics. There is no doubt about it, every foreign company coming to Canada should be prepared to have at least a majority of its directors Canadian, and I think we are getting around to that. But to talk about doing something specific about it. Would you suggest we have an Ontario law requiring them to do that, because then we are adding another restriction which may be important enough for them to move to another province?

**Mr. Good:** I would think over a long period of time a phasing in process could be accomplished.

**Hon. Mr. Grossman:** I would like to start that—

**Mr. Good:** And the economic control.

**Mr. Sargent:** Why not?

**Mr. Good:** The economic control, let us face it, is still going to remain outside the country. There is no way around that. But there is no reason why, to do business in Ontario, we cannot do it under Ontario principles.

**Hon. Mr. Grossman:** Fine, let us start that when we have about three per cent unemployment.

**Mr. Good:** Right.

**Hon. Mr. Grossman:** That is a good time to start phasing that in.

**Mr. Good:** But up until now nobody has given it any consideration, with the result that—

**Hon. Mr. Grossman:** Yes, we have. I just came back—

**Mr. Good:** Excuse me, Mr. Chairman, could I finish what I started. With the results that part of our unemployment problem now is due to rationalization by American plants. And due to things such as this, they are making their Ontario subsidiaries unprofitable by charging extra prices for their component parts, and reducing their exports here in their branch plants to take it up over there. This is part of the problem, and this is brought out at the conference.

**Hon. Mr. Grossman:** I do not think there is any doubt about that.

**Mr. Good:** I was there for three days. I was very surprised that only one minister of the government was at the conference through its entirety. I am glad you were there for the last half day as chairman.

**Hon. Mr. Grossman:** I cannot be there all the time and be in the House too. When I was out of the House everybody hollered there was nobody on the front bench.

**Mr. Good:** Well, you should be in the House.

I really think you have got to start considering because if you do not, we are going to keep losing and we are going to be more at the mercy of somebody outside the province. But if you do you are not going to drive these people away from Ontario. There is not another market like Ontario anywhere in Canada.

**Mr. Sargent:** Anywhere in the world!

**Mr. Good:** Anywhere in the world! There is not another market. Why does all the industry in Ontario come to Toronto? Be-

cause here is where the action is, and it has been proven by economists, the potential prosperity of a business is directly related to the prosperity of the area in which it is situated. There is no doubt about it.

You can give all these forgivable loans to put these industries in the little places—and they need the employment—but you are still barking your shins up against that tree because it just is not going to be as viable an industry there as if it was located here. Here in Toronto, industrial assessment is twice what residential assessment is. They still draw half the industry of the province into the metropolitan area, because here is where they can make the buck. These fellows in the States know they can make a buck in Ontario, too, and they will come here.

It is time you started to phase in a few ideas and say: "Look, we will be glad to have you join us. But when you join us we operate in a certain manner and we require certain disclosures and we want you eventually to work toward the objective that your board of governors, your board of directors, is going to operate with Canadian or Ontario citizens." That is my feeling on it. I have some others which I can bring up at a later date.

**Mr. Sargent:** Mr. Chairman.

**Mr. Chairman:** No. Mr. Makarchuk.

**Mr. Makarchuk:** First, can the minister indicate when the report on the natural resources will be ready?

**Hon. Mr. Grossman:** No.

**Mr. Makarchuk:** No idea? I would suggest that the Throne Speech had the statement, and I read it:

An advisory committee drawn from the Canadian-owned industries will be formed to assist manufacturers in such matters as tariff policy, the changing structure of ownership of industry, and the multi-national corporate activities.

I think it is significant it was in the Throne Speech and yet when we raise the question—I was referring to the industrial policy advisory committee—the minister does not know anything about it.

**Hon. Mr. Grossman:** I did not say I did not know anything about it.

**Mr. Makarchuk:** Certainly you did.



**Hon. Mr. Grossman:** I told you immediately that there was—

**Mr. Makarchuk:** The statements are clear in Hansard. You did not know anything about it until it was brought to your attention. So that either—

**Hon. Mr. Grossman:** I am sorry. Hansard will show that I said that that committee has not been set up.

**Mr. Makarchuk:** You said you did not know anything about it.

**Mr. Sargent:** No. No such a committee.

**Mr. Good:** There was no such committee.

**Mr. Makarchuk:** It is just another indication that the Throne Speech was designed more for show in the papers than it was for anything else, for actual performance. And listening to the minister's explanation of—

**Mr. Sargent:** Even the member for Durham (Mr. Carruthers) agree you said it.

**Mr. Makarchuk:** —Canadian control versus foreign control, etcetera, I would have to commend him on his rather adroit fence-sitting policies. On the one hand, he is all for it, and on the other hand he is all for protecting jobs and so on. Again, I have to point out to you that it is basically in two-to-one ratio that the American- or foreign-controlled branch plants are closing down in this country, throwing out twice as many workers out of jobs in comparison to the Canadian.

The point has been raised about the markets; that is a very good point. We should stop being so scared, running scared all the time, and start realizing we have the markets, we have the resources, and we have the finances.

**Mr. Sargent:** Right.

**Mr. Makarchuk:** As I said earlier, let us grow up. Let us get away from this dependence on somebody else. There comes a time in everybody's life when you have to cut the apron strings.

**Hon. Mr. Grossman:** I am in favour of motherhood too.

**Mr. Makarchuk:** The minister realizes that this province is big enough to cut the apron strings. The hon. minister is a big boy. I hope the hon. minister realizes that.

**Hon. Mr. Grossman:** At the moment, I am big boy enough to know that I have to be careful about the statements I make because the statements I make quite often go across the border to the places where our trade missions and business opportunity missions go and they read these back to our people. We have already had that happen. It was not something I said. It was something that was said in the Legislature.

**Mr. Makarchuk:** It is about time we told them—

**Mr. Chairman:** Order, order! Let the minister finish his remarks and then you can have your turn.

**Hon. Mr. Grossman:** What you are really saying in fact is that we should not care at this particular moment about whether all foreign investment is cut off; I tell you, no matter how much I think I would like that very much, and we hopefully will work and are working toward the goal where Canadians have a greater investment in their own economy and a greater control of their own economy, no matter that I look upon that as a means toward which to strive, at the moment I have a responsibility to make sure that not only the things I say but the things that I do are not going to affect somebody's jobs in this province, and they can have that effect.

**Mr. Sargent:** Nobody cares what you say.

**Hon. Mr. Grossman:** Well, that is what you think. Nobody cares what you say. There are people in other countries who get these reports—

**Mr. Sargent:** So what? If they could not make money here, they would not come here. Do you know that?

**Hon. Mr. Grossman:** —and we have got to make sure—

**Mr. Chairman:** Is the hon. member for Brantford finished?

**Mr. Makarchuk:** No. Mr. Chairman. Let us get this straight again: Nobody is out to reduce the number of jobs in Ontario—

**Hon. Mr. Grossman:** I would be—

**Mr. Makarchuk:** That we all agree on. But we also have to set down the rules of the game, so that the game is going to be played our way, not somebody's else's way.

**Hon. Mr. Grossman:** That is all I said.

**Mr. Makarchuk:** This is something we have to make straight. No, you have not. You are all over the place.

**Hon. Mr. Grossman:** That is what you are now.

**Mr. Makarchuk:** All right. Let us get to the specific instance of Westinghouse in Brantford when it closed down.

**Hon. Mr. Grossman:** We can hold that—

**Mr. Makarchuk:** Can the minister be silent for a while?

**Hon. Mr. Grossman:** Me?

**Mr. Makarchuk:** Can the minister in this case?

**Mr. Chairman:** Keep the minister in order? It is pretty hard to hold anybody in order in this.

**Mr. Makarchuk:** Tell us who has more responsibility about shaping the events or running the lives of the people of Ontario, this government or Westinghouse. Now, can you tell me when Westinghouse informed your department that they were going to close down?

**Hon. Mr. Grossman:** Yes.

**Mr. Makarchuk:** Under what circumstances?

**Hon. Mr. Grossman:** I will not have these documents here until we get to the vote.

**Mr. Makarchuk:** All right—

**Hon. Mr. Grossman:** It is like asking me where I was on July 12, 1967.

**Mr. Makarchuk:** Well, all right, this is a matter of policy then; we are discussing a matter of policy then. What did your department really do about this thing?

**Hon. Mr. Grossman:** We will tell you when we get to it.

**Mr. Makarchuk:** Well, I will tell you. I was down at your office—

**Hon. Mr. Grossman:** I have gone through that file a dozen times.

**Mr. Makarchuk:** Let us put it on the record. Your people did not know a damn thing about it. It was funny—

**Mr. Chairman:** Order! Order!

**Mr. Makarchuk:** —when one of your officials was shaking his head when we asked

him if he knew anything about it. One man was nodding in the affirmative while two or three others were shaking their heads in the negative.

**Hon. Mr. Grossman:** Well, maybe they did not know and we knew.

**Mr. Makarchuk:** I wish you would sort of synchronize your nodding.

**Mr. Chairman:** Have you got any more to offer on item 1?

**Mr. Makarchuk:** Perhaps we could—

**Mr. Chairman:** Have you a question you would like to ask on item 1?

**Mr. Makarchuk:** We are still on item 1?

**Mr. Chairman:** Yes, item 1 of vote 2201.

**Mr. Makarchuk:** All right, Mr. Chairman, are you listening to what I am talking about?

**Mr. Chairman:** I am asking you if you have a question. If you have got a question, ask it.

**Mr. Makarchuk:** The minister said that he is trying to encourage Canadian control, which is very commendable. Could he indicate just how this is being done in terms of changes in loans, grants, etc., that are going to Canadian companies?

**Hon. Mr. Grossman:** Well, as soon as we get to that.

**Mr. Makarchuk:** We will discuss it on other votes.

**Mr. Chairman:** Mr. Sargent.

**Mr. Sargent:** A question of the minister on policy: Do you think that a loan of \$400,000 to Westinghouse is an incentive in a \$20-million investment, that it would change their minds about where they would locate?

**Hon. Mr. Grossman:** Quite frankly, that is a question—

**Mr. Sargent:** Two point five per cent—

**Hon. Mr. Grossman:** I believe that is a question which we ask ourselves and I have asked myself about some of these loans—

**Mr. Makarchuk:** Why do you not find out? You have got experts who can find out, have you not?

**Hon. Mr. Grossman:** I am answering a question. I thought I dealt with this earlier.

I am inclined to call a bluff on the next big one that shows up, if one shows up. But I must tell you, as I said earlier, it is a very difficult game of cards to play because, you know, you are not losing anything. There may be 100 jobs; somebody else may be losing an opportunity to go to work. They are pretty big stakes, and if you lose that bluff, you have lost yourself an opportunity to put 100 people to work. I think you should keep that in mind; it is not as simple as you think. However, having said that, I must tell you that I have it in mind to try one.

**Mr. Sargent:** Mr. Minister, do you feel the Ontario government is justified in making a loan of \$1 million to McClelland and Stewart to keep its book publishing firm open for textbooks when they have gone to the wall financially, while it makes a \$400,000 loan to a competing firm to come in from the States to publish textbooks in Kingston and the cost of the loan will furnish 38 jobs at a cost of \$11,000 a job? How do you justify making a loan of this kind to a firm competing with McClelland and Stewart, who have gone broke; you give them \$1 million—

**Hon. Mr. Grossman:** You have got it confused, because McClelland and Stewart is not a printing outfit.

**Mr. Sargent:** It is a publishing house then.

**Hon. Mr. Grossman:** And the other firm is in printing.

**Mr. Sargent:** No, they are publishing textbooks.

**Hon. Mr. Grossman:** That is right.

**Mr. Sargent:** They are publishing them.

**Hon. Mr. Grossman:** They are printing them too.

**Mr. Sargent:** Well, what is the difference?

**Hon. Mr. Grossman:** Well, the printing puts a lot of people to work.

**Mr. Sargent:** It puts 38 people to work.

**Hon. Mr. Grossman:** That is a lot of people.

**Mr. Sargent:** For \$400,000? For \$11,000 a job?

**Hon. Mr. Grossman:** Do you know how much the federal government pays for a job?

**Mr. Sargent:** Two thousand dollars is the average across the board.

**Hon. Mr. Grossman:** The federal government pays up to \$30,000 per job.

**Mr. Sargent:** That is a lot of nonsense. Where do you get that figure? Where from?

**Mr. Collins:** The recent assistance on the IT&T development in Quebec involving pulp mills represents \$30,000 a job.

**Mr. Sargent:** Well, there were further tentacles beyond that than creating the jobs. There must have been a further—

Interjections by hon. members.

**Mr. Chairman:** Come to order just for a minute.

**Mr. Sargent:** We are getting to a point of policy, Mr. Chairman.

**Mr. Chairman:** We can deal with the policy when we come to vote 2201.

**Mr. Sargent:** Just a moment, we have been talking policy for an hour now, and I asked a few important questions—

**Mr. Chairman:** You are talking about incentive loans.

**Mr. Sargent:** All right, I am talking about policy then. The minister has said that he is afraid to make statements because some industrialists across the border—

**Hon. Mr. Grossman:** I did not say I was afraid.

**Mr. Sargent:** All right. Anything—

**Hon. Mr. Grossman:** I said I had to be cautious.

**Mr. Sargent:** Well, let me say this very clearly to you: As a businessman, Mr. Chairman, no one comes into the Province of Ontario unless he can make money; the prime requisite is the profit here. Now, by virtue of the fact that the business environment we have created here is where we have value, you are giving everything away by saying to these fellows, "Okay, come in and we will give you the money to buy us out." In Mexico, you go into Mexico to do business and in no way can you own more than 49 per cent of—

**Hon. Mr. Grossman:** Why do you not go to Mexico then? There are a lot of opportunities there.



**Mr. Sargent:** Now, just a moment now. I am talking about Ontario. I am talking about a parallel position. It is a very important point. I think the fact that we are providing them money by which they will set up in business in Ontario and create profits and by virtue of the fact that we have created that environment, we should reserve a right to a share of the profits. There is a doubt in the minister's mind that this would be detrimental to employing labour, the fact that we would insist that the people of Ontario, or Canadians, should control 51 per cent of that company. I am making it clear that this is my position and this is where we stand insofar as I can understand that matter.

Secondly, regarding the policy of this government, labour unions should be more independent of international unions. That is what you think here; that they have the power to elect only executive officers and they bargain independently and ratify their own collective bargaining agreements, and that Canadian officers have final signing power in respect to cheques put on Canadian funds. That is a job where the minister should be active in.

**Hon. Mr. Grossman:** How should I know?

**Mr. Sargent:** That the minister said that the government of Ontario—

**Mr. A. Carruthers (Durham):** The member is talking federal politics.

**Mr. Sargent:** No, I am talking about things in Ontario. This government, jointly with the federal government, should have a takeover review board for takeovers of established Ontario firms by foreign buyers.

**Hon. Mr. Grossman:** They have done that now.

**Mr. Sargent:** You have done that?

**Hon. Mr. Grossman:** The federal government has done that.

**Mr. Sargent:** The minister is not having any part of it?

**Hon. Mr. Grossman:** We do not have to. Once the federal government does it, it applies to Ontario.

**Mr. Sargent:** I see.

**Hon. Mr. Grossman:** Anybody wanting to take over a Canadian company in Ontario will have to deal with the federal board.

**Mr. Sargent:** I see. So there is no incentive or interest on your part?

**Hon. Mr. Grossman:** Those are the kind of laws I am talking about. The kind of laws which apply to everyone across the board, not one province taking unilateral action which could be to the detriment of its own economy.

**Mr. Sargent:** I see.

**Hon. Mr. Grossman:** Whether that is good or bad is another matter. The question is that all the provinces, and all their businesses and everyone, has to abide by the same kind of law.

**Mr. Sargent:** Well, it is funny that you are so friendly with the federal boys in these matters when your job is charged with the—

**Hon. Mr. Grossman:** In the first place I did not say that I was friendly or unfriendly. I just told you the facts.

**An hon. member:** What are the facts?

**Mr. Sargent:** When you want to dodge out of something you blame it on the boys down there. But your job is to look after Ontario, to protect our economy.

I think it is time to ask you this. In view of the fact that the outlying parts of this province cannot get a share of the development moneys you have, why does not the minister let the people of this province have permission to go to the savings and loans and trust companies and get their savings into a fund that will loan money to the outlying parts of Ontario for development without politics being involved?

We are sick and tired of coming here and talking to Mr. Etchen; the way he treats me makes me sick. He says: "Oh sure, we will see them when they come down here." They come down here, they get an appointment and they go back home with nothing. I am getting fed up with the fact that all the development moneys are controlled politically and I am getting sick of it. That is your policy.

**Hon. Mr. Grossman:** That is an old chestnut. It has been disproved so often—it is not even—

**Mr. Sargent:** If you call me a liar I will take you outside and beat you up.

**Hon. Mr. Grossman:** I did not call the hon. member a liar and if he wants to take me

outside and beat me up I would not be afraid of it.

**Mr. Sargent:** I know what I am talking about and I am getting fed up with it. Last year the member for Don Mills (Mr. Randall) sat in that chair—

**An hon. member:** And you can do it to him now.

**Mr. Sargent:** —and he said: “Do not bring down here any of your bankrupt”—what is that word?—“your deadbeats from Owen Sound.”

**Hon. Mr. Grossman:** I never said that.

**Mr. Sargent:** And that will cost you two or three seats up there.

**Hon. Mr. Grossman:** I never said that at all.

**Mr. Sargent:** No, but the minister before you did and that is the same way you feel about us, because Mr. Etchen gives me the back of his hand. We get no money for our area. He has the power of God to say if we get it or not.

**Hon. Mr. Grossman:** No, he has not.

**Mr. Sargent:** And what do you say?

**Hon. Mr. Grossman:** He is a civil servant.

**Mr. Chairman:** Order, order!

**Hon. Mr. Grossman:** If you want to be right, you go ahead.

**Mr. Sargent:** You make me sick, the whole bunch of you. You have the power to spend money and you will not do it fairly. You have not got the guts to play fair.

**An hon. member:** That is what the people told him.

**Mr. Collins:** Mr. Chairman, I have listened to some very serious accusations against the staff of the department, although I know you are discussing policies. I know government, not civil servants, make policies, but I have been rather impressed since I have joined this staff with the fact that they are truly dedicated Canadians. You will find no Americans on this staff.

**Mr. Sargent:** Who said there was?

**Mr. Collins:** Well, there is the implication that there is some unwillingness to deal with problems of American takeovers or American

investments, or to recognize the fact that the job situation in Ontario is a serious one.

I think that you have to realize that many of the policies that are followed here, evolved during a period of full employment when investment was welcomed. We are in a position now where every shutdown represents a very serious impact on the economy.

We are doing a great deal of study internally. As we said, we are rationalizing our own organization, our own staff. We attempt to take the knowledge of the staff which is represented here and to bring it collectively to bear on this problem, trade and industry, ODC staff, economic council, all of the branch staff working together.

The Ontario Development Corporation is composed of members of the public, as well as Mr. Etchen. He is no longer a member of the corporation; I am vice-chairman in his place. Mr. Etchen is the managing director who makes recommendations to this corporation and the corporation itself, composed of individuals, makes the decision. I do not think it is fair to make accusations about the “back of the hand,” or charge any frivolous reaction.

**Mr. Sargent:** That is too bad.

**Mr. Peacock:** A point of order, Mr. Chairman.

**Mr. Collins:** May I say—because I had something to do with—

**Mr. Chairman:** May I interrupt, Mr. Collins, on that point of order? There is a point of order here.

**Hon. Mr. Grossman:** Yes, of course.

**Mr. Peacock:** My point of order is that Mr. Collins is referring to remarks made by Mr. Sargent, the member for Grey-Bruce, which he has taken exception to, I gather, and my point of order, Mr. Chairman, is that we address ourselves to you and our argument is with the minister.

I am sure that from time to time a number of civil servants in this room, listening to remarks made by members of the committee, feel very much as Mr. Collins may feel now. But the point is that the minister must answer in this respect.

If the minister feels, either on his own initiative, or on the advice of the staff, that the remarks of any member of the committee are not acceptable because of their tenor, or criticism of any member of the

staff, then I think the minister should answer in that respect. Members of the civil service who are here should be quite free, as usual, to speak to matters of policy or questions that are raised in respect to detail to the assistance of the minister, but in this particular case that has been raised as the result of the remarks of the member for Grey-Bruce and Mr. Collins' intervention, I think the minister should answer.

**Hon. Mr. Grossman:** On a point of order, Mr. Chairman, that is precisely what I had been attempting to do. This is the danger of having a member who does not choose his words and attacks the civil servants. Eventually, you are going to get the kind of confrontation which the deputy got involved in here. I apparently am not able, nor is the committee able, to control the language of the member for Grey-Bruce.

**Mr. Sargent:** Mr. Chairman, on a—

**Hon. Mr. Grossman:** He cannot even control it in the Legislature. I was hoping that some of the other members would also do something by way of protesting to the Chairman about his rather lurid comments. As I mentioned earlier, he can make all the comments he likes about me; I am sort of used to it. But when he starts berating the civil servants that way, they cannot answer, and I am supposed to answer and I am very glad to answer. I have attempted to do it before, but I was unsuccessful in stopping him.

**Mr. Sargent:** All right. Is not that too bad.

Mr. Chairman, speaking to the point of order and to the minister's statement, I am fed up to the teeth with this civil service and the control they have over our lives. They run the whole show and this man has audacity to question a member elected by the people. I represent 60,000 people, I have the right to speak to him any way I want through the Crown.

**Hon. Mr. Grossman:** But you have no right to—

**Mr. Sargent:** I have the right to—

**Mr. Chairman:** Order! Order!

**Hon. Mr. Grossman:** All right, we will see. The member does not have the right to use that kind of language to a civil servant.

**Mr. Chairman:** Order, Mr. Minister.

**Mr. Sargent:** I certainly have that right.

**Mr. Chairman:** Order!

**Mr. Sargent:** If I am wrong, you do what you want.

**Hon. Mr. Grossman:** You certainly have not got that right. You do it to me.

**Mr. Chairman:** Mr. Minister, order.

**Hon. Mr. Grossman:** You can berate me all you want.

**Mr. Chairman:** Mr. Chairman—I am the Chairman—Mr. Minister, I would appreciate very much—

**Mr. Sargent:** You try and stop me; both of you.

**An hon. member:** The member does not have to shout.

**Mr. Chairman:** Just a minute. Order, order! I would appreciate very much if each member, when they ask for the floor, would put forth their remarks and if you, Mr. Minister, will wait until they are finished and then come in.

**Mr. Sargent:** I know how the whole bunch of you operate and I am fed up with it. You are buying votes with public money.

**An hon. member:** Leave the committee!

**Mr. Chairman:** The only way we are going to get along with these estimates in an orderly fashion and a fashion that is going to be beneficial to every member who sits on the committee is that—we have been getting no place for the last 1½ hours, two hours.

Now, has anyone any more remarks on item 1?

**Mr. Makarchuk:** Mr. Chairman.

**Mr. Chairman:** You have had two or three on item 1 now. Mr. Newman.

**Mr. B. Newman:** Mr. Chairman, I wanted to ask under the main office, if the department has any statistics, figures or studies that indicate certain procedures and operations are more labour-intensive. And, as a result, are they encouraging that type of industry to settle in Ontario, so that rather than us export our raw material, we have the processing of our raw material right here in the Province of Ontario?



Rather than being interested in the dollar-cent point of view insofar as exports are concerned, we are interested in job opportunities being exported.

**Mr. Chairman:** The minister did answer this. Do you want to answer it again, Mr. Minister?

**Hon. Mr. Grossman:** I will repeat it. If I did not say it before, I will say it now. We are more interested in labour-intensive industry, of course. But I should caution the hon. member that it is not that simple either. Quite often—too often—labour-intensive operations mean that you have an outdated operation which is going down the drain because you are not using modern technology.

You have to pick and choose within your philosophy of going for more labour-intensive operations. But of course, why would we not want to encourage those people, those operations which are going to provide more labour actually?

**Mr. B. Newman:** How are you encouraging it in the auto industry? Because of the operations performed on both sides of the border, the labour-intensive ones are performed in the United States and the ones that do not require the same amount of labour are performed in Canada. Why not have that type of a switch?

**Hon. Mr. Grossman:** How would you do that?

**Mr. B. Newman:** You are the minister, not me.

**Hon. Mr. Grossman:** The automotive industry is quite a big industry in Canada and they employ a lot of people and any adjustments that had to be made would be looked after under the—

**Mr. B. Gilbertson (Algoma):** Mr. Chairman, we cannot hear.

**Mr. Peacock:** Transitional assistance.

**Hon. Mr. Grossman:** I am a pretty smart fellow, but I do not know everything. If the hon. member would give me an idea of how to reverse the process I would like to hear it very much.

**Mr. B. Newman:** I would not for one minute try to come along and downgrade you, Mr. Minister; we know you are very intelligent and so forth. But you see, you still do not have any statistics or any figures.

You can come along and say that in the manufacture of an automobile engine there are X number of man-hours and the manufacturer varies. But I have spoken to manufacturers and they cannot give them to me.

**Hon. Mr. Grossman:** Well we may have this if the hon. member will ask it when the officials are up here.

**Mr. B. Newman:** Well, I will ask that in the next vote.

**Mr. Chairman:** Mr. Jackson.

**Mr. D. Jackson (Timiskaming):** Well, I just have two short questions. First of all, I welcome the minister's statement that they are seeking control of the resource industry, but can you give us any idea of when the task force will have a report?

**Hon. Mr. Grossman:** Your colleague just asked that.

**Mr. Jackson:** Did you ask that? Well, have you any idea?

**Hon. Mr. Grossman:** No idea.

**Mr. Jackson:** You do not have any idea?

**Hon. Mr. Grossman:** Well, the fact is that they just put it into effect. I think the recommendation just went in a few weeks ago.

**Mr. Jackson:** That is fine. But earlier, when we were discussing these certain restrictions against industry coming into the province, you mentioned tendering restrictions that exist in Quebec and Ontario—where Quebec requires that an office be established in Quebec before an Ontario firm can tender in Quebec. Surely, you cannot use that as an example of why industry does not come into Ontario? Because surely that one restriction encourages industry to go into Quebec?

**Hon. Mr. Grossman:** Well it could. I do not think I used it within that context.

**Mr. Jackson:** Well that is what I got out of it. You were using it to say that restrictions were detrimental to Ontario.

**Hon. Mr. Grossman:** Well I can see that. It is a possibility. Theoretically, a firm that wants to make a decision between Ontario and Quebec, if it does this kind of work, I might be inclined to go to Quebec because of this policy.

**Mr. Jackson:** And that is what I am saying to you.

**Hon. Mr. Grossman:** I do not know that there is any evidence of that in particular. You know we were talking theory at that stage and this could happen theoretically.

**Mr. Makarchuk:** Mr. Chairman, I want to get back to the minister's bluffing. He is involved in poker games here. It is the result of the bluffing—the previous minister did a lot of bluffing—that we still have our unemployment problem—

**Hon. Mr. Grossman:** You are using that in the wrong context—

**Mr. Makarchuk:** Well, you said you would have to call the company's bluff.

**Hon. Mr. Grossman:** Now, is that a different thing than bluffing—

**Mr. Makarchuk:** Well, let us get a few things straight here as to when you are going to be calling the bluff. Now, when it comes to a matter of a little firm coming in that is going to go in, shall we say, to corkscrew manufacturing or pots and pans, that there may be an element of bluff. The company may try to get from you some kind of financial assistance or incentive, or compare what they will get from you in comparison with what they will get from Quebec. You know, there is some kind of room there for them to manoeuvre. But there certainly is no room for the resource industries to manoeuvre. We have got all the aces in that poker game. Let us get that point straight in your mind.

**Hon. Mr. Grossman:** I have that point straight in my mind.

**Mr. Makarchuk:** You have got that? Well fine! Let us see the second stage. Fabricating of metals should be done in this country; not just refining. But we can go into the others.

The other point is that there are a lot of Canadian businesses right now that are located in major urban centres in the Province of Ontario who are not interested in bluffing—who are not interested in playing any kind of devious games for some financial advantage. They are there, they have a work force, they want to expand. And the point is that they cannot expand at the moment. They do not want to play games. They want it on a man-to-man basis, they want to level

with you; they need assistance; they cannot get assistance from the banks—

**Hon. Mr. Grossman:** Why?

**Mr. Makarchuk:** —conventional lending agencies.

**Hon. Mr. Grossman:** Why?

**Mr. Makarchuk:** Because of various reasons. In the first place, there may be an element of risk involved. Or it may be that they are not prepared, in many cases, to pay the highest interest rates that the banks demand. Now I did in my case. I did a survey in Brantford where I sent out a questionnaire to various firms. There were roughly about, I would say, 25 to 30 per cent who said that they could use money—that they could expand and that they can provide jobs now. I am sure it is the same situation in Guelph, in Kitchener and Brampton—and many of the other areas that are not designated under any kind of EIO loan, or they do not qualify.

The point is that these are Canadian industries. They are owned by Canadians. They can expand now, they can provide jobs now for Canadians. But there is absolutely nothing that they can get from you, really.

**Hon. Mr. Grossman:** No, that is not—

**Mr. Makarchuk:** You did come in with this—

**Hon. Mr. Grossman:** I would like to know about that.

**Mr. Makarchuk:** —this little dreary programme—

**Hon. Mr. Grossman:** I would like to know about that. Why can they not get conventional money?

**Mr. Makarchuk:** For the simple reason that if they have to pay 17 per cent for conventional money—

**Hon. Mr. Grossman:** I did not mean that—

**Mr. Makarchuk:** Well, that is exactly what it is. If they have to pay that much for conventional money it is not economical for them to borrow it.

**Hon. Mr. Grossman:** Have you had any firms like that that can prove—

**Mr. Makarchuk:** The other point is that there may be a certain element of risk involved.



**Hon. Mr. Grossman:** Well, that is what we are here for.

**Mr. Makarchuk:** Fine, but you are not helping them.

**Hon. Mr. Grossman:** Well, all right. There must be a reason.

**Mr. Makarchuk:** Because they are not located in areas where they can get assistance. Compare this to Manitoba, as an example, which has set up a special fund to assist businesses with a high risk inherent in their operation. But they are willing to gamble on this thing. One of the reasons that development in the United States proceeded at a rapid pace, is the fact that there was local financing available in many instances in comparison to where the financing here is controlled, centralized on Bay Street. If the manager in Brantford wants to lend something more than \$10,000, he has to go to the joker on Bay Street, or wherever the head office is, and get clearance, and he does not know a damned thing that is going on back there. So he says, no, because they can put it out to General Motors or put it out to Bell Telephone, or something like that, or Falconbridge, at a guaranteed, nice return. They have been doing quite well recently because there is a shortage of capital.

So the bluffing angle that you are using, where you really have to bluff, is not accurate. The analogy is not correct. You do not have to bluff. If they want to play those kinds of games, you can tell them they can go some place else. They will go to Quebec and they may think the ground rules in Quebec may be nice now, but after the next election I have a feeling the ground rules in Quebec are going to change.

Industry would be more willing to come into an area where they know that the ground rules have been established, that these are the ground rules that will persist here for a considerable length of time, and they know that they will not have to go on later into repaying the taxes, or installing anti-pollution devices or doing something else to make up because they got it easy two years or three years ago and now they have to pay. I think you should look at it from that point of view.

Let us just not kid ourselves. When you say you give \$500,000 to Falconbridge, that that was a gamble, and to Allied Chemical to extract sulphur. They had no place else to go; there is no bluffing involved in there. If

you look at these things, there may be bluffing at certain areas—

**Hon. Mr. Grossman:** May I suggest the hon. member bring up those specific cases on the later vote.

**Mr. Makarchuk:** Yes, I will bring them up.

**Hon. Mr. Grossman:** Because I would like to hear what Mr. Etchen has to say. Let us find out.

**Mr. Makarchuk:** Let us not create the impression that it is a sort of touch-and-go situation, that if we do not bow and scrape and lick their boots they are not going to come here and people are going to be unemployed, because you are bowing and scraping and licking their boots and the people are still unemployed. That is what we want changed and the people want changed. I can assure you they are not prepared to sit out there and just listen to your excuses. I went through a by-election and I know what they are talking about and thinking about.

**Mr. Chairman:** Item 1 carried?

**Mr. Makarchuk:** No, one more point, Mr. Chairman. Regarding the expansion of trade and the establishment of offices by the federal government, we will have to start looking for new trade areas possibly, as a consequence of the Common Market, and the implications it may have on us. Has consideration been given to the establishment of a trade office in Red China at the moment?

**Hon. Mr. Grossman:** Not at the moment.

**Mr. Makarchuk:** Not at the moment. Are you going to consider it?

**Hon. Mr. Grossman:** Not at the moment.

**Mr. Makarchuk:** The federal government is considering it. There is a potential there of roughly between 500 million to 700 million or 800 million—nobody really knows for sure—but it is a vast potential market that may be of benefit.

There are possibly some other countries in the world where we do not have offices established at the moment that could possibly be established. I do not know of any off-hand, but perhaps in East Germany. Do you have anything in that area?

**Hon. Mr. Grossman:** There is one in West Germany.

**Mr. Makarchuk:** In West Germany. Perhaps the man can possibly look into both



sides of the border, but there is opportunity. We cannot tie ourselves up to the United States and to Britain.

**Hon. Mr. Grossman:** I mentioned that already.

**Mr. Makarchuk:** Hopefully I had a discussion with the president of White Motor Company as an example—that is about two or three years ago. He said that they could sell farm equipment to Cuba. At that time, we had the usual underemployment situation in Brantford in the farm equipment industry and the company was denied the right to sell their equipment to Cuba. This is because the trade patterns were across the border and possibly with England, and that is it. Again, this was raised earlier with regard to something about expansion of trade and I think this is a point that you should consider very seriously.

We would like to see some answers, not just the careful—I should not say the careful—the consideration that is going to come up eventually. Something has happened because the people are people out of work right now and they just do not want to wait that long.

**Mr. Chairman:** Item 1 carried; item 2, administration and financial services.

**Mr. Peacock:** What accounts for the increase of \$85,000 and where is that increase going to this year in item 2?

**Hon. Mr. Grossman:** Mainly salary awards for two years—the routine negotiated salary.

**Mr. Peacock:** Throughout the entire department?

**Hon. Mr. Grossman:** Which one are we talking about?

**Mr. Peacock:** Item 2, administration and financial services.

**Hon. Mr. Grossman:** Now, what was your question?

**Mr. Peacock:** My question is, where is the very sizeable increase in expenditure in that vote going to be spent?

**Mrs. A. Cameron** (Finance and Administration): Salary awards for two years.

**Hon. Mr. Grossman:** It is all salary awards.

**Mrs. Cameron:** Salary awards for two years, and \$24,000 for data processing, which is a new item.

**Mr. Peacock:** I see. Are the salary increases retroactive over a period of two years?

**Mrs. Cameron:** No, but last year we provided for it with a Treasury Board order. They become effective on January 1 and July 1, so there are two years in there.

**Mr. Peacock:** So they are on-going increments, they are not retroactive increases?

**Mr. Chairman:** Carried.

**Mr. Sargent:** What is the salary you pay Mr. Ramsay?

**Hon. Mr. Grossman:** It is not in here.

Interjections by hon. members.

**Mr. Sargent:** Are we talking about vote 1?

**Mr. Chairman:** No, vote 2. Item 2. Carried. Item 3. Carried. Item 4, information services.

**Mr. Sargent:** On information services, I am looking at the accounts, Christopher Chapman \$272,000, that is for a film. It is in my estimates.

**Hon. Mr. Grossman:** It is not in our estimates.

**Mr. Sargent:** Not that information?

**Hon. Mr. Grossman:** No.

**An hon. member:** That was under Expo.

Interjections by hon. members.

**Mr. Chairman:** Item 4.

**Mr. B. Newman:** Mr. Chairman, under information services, can I suggest to the minister that all of these press releases that your department sends out when the Legislature is sitting, for heaven's sake do not waste envelopes, put them in our mailboxes. Every one is a great big two-cent envelope all the time, and all it does—

**Hon. Mr. Grossman:** Has that not been changed?

**Mr. B. Newman:** —is it comes into my hands and goes right into the waste basket.

**Hon. Mr. Grossman:** Have they been coming to you that way lately?

**Mr. B. Newman:** They have been coming to me right until today like that.

**Hon. Mr. Grossman:** No, I mean in the last few weeks

**Mr. B. Newman:** Yes, even today I threw a two-cent envelope away.

**Mr. Peacock:** Is that not a shame? He is a member of Pollution Probe and he throws away all his envelopes instead of using them over again.

**Hon. Mr. Grossman:** The staff has been instructed not to do that.

**Mr. B. Newman:** Do not waste them that way. It is only two cents I know but—

**Hon. Mr. Grossman:** I know. The deputy is here. I am glad he heard it. You are quite right. This instruction was issued a few weeks ago. As a matter of fact I think there are too many press releases going out.

**Mr. Sargent:** Mr. Chairman, I was blocked on my question on information services. In the vote here we have, in the public accounts, Craig, Zeidler and Strong \$102,000 plus \$437,000—a half million dollars to one firm.

**Mr. Peacock:** For information services? They are architects.

**Mr. Sargent:** Well, it is under the first vote.

**Hon. Mr. Grossman:** Mr. Chairman, I am having just as much difficulty. This is the first time in this department that they are using this programme budgeting which was the reason we got into the confusion with the advisory committee. It is shown by programme and we are not accustomed to following it this way. Mr. Sargent is following the public accounts.

**Mr. Chairman:** Last year's?

**Hon. Mr. Grossman:** It was different then. It is in a different vote here. This will come up in vote number 2203.

**Mr. Sargent:** Well, maybe I can ask this question. Under each one of these votes you have a thing—transportation and communication. Mr. Chairman, do you see that? Pick any one. Every vote in this—

**Mr. Chairman:** Why not deal with the vote we are on—four?

**Mr. Sargent:** All right, you pick it out then. Do you see that kind of—

**Mr. Chairman:** Yes, \$13,000 in this vote.

**Mr. Sargent:** That is a very small amount, but you have maybe in this whole vote \$60,000 in travelling and communication.

Does the Minister think it is ethical to hide in there parties, cocktail parties, under the guise of transportation and communication. You have expenses there—entertainment, and so on.

**Hon. Mr. Grossman:** What kind of entertainment is that?

**Mr. Sargent:** I do not know, you name it. Transportation and communication is included there.

**Hon. Mr. Grossman:** I am advised that there is nothing like that which is involved here.

**Mr. Sargent:** I would suggest then that this is the only department in the whole Legislature that in this year's estimates—all travelling expenses, entertainment, and so on, are always included under transportation and communication in every other estimate—this is the only department that does not have entertainment and travelling expenses under transportation and communication; the only department.

**Hon. Mr. Grossman:** What do you mean by entertainment?

**Mr. Sargent:** I do not know.

**Hon. Mr. Grossman:** Neither do I. Where is it?

**Mr. Sargent:** What do you call travelling expenses and entertainment? How do you group that then? Where do you put that in this group?

**Hon. Mr. Grossman:** I just said it is not under transportation and communication.

**Mr. Sargent:** You have said that. I say it is here. All right then, where are the entertainment expenses in this whole vote? I submit to the chair that in these whole estimates this year, Mr. Chairman, there has been new policy set up whereby travelling expenses are not listed at all. We have transportation and communication as a listing—are you with me, Mr. Chairman?

**Mr. Chairman:** I am with you.

**Mr. Makarchuk:** If that is the case you are the only one, Mr. Chairman.

**Mr. Sargent:** In every other estimate in years before we had travelling expenses.

**Hon. Mr. Grossman:** Where do you find that under these votes? Transportation and communication—

**Mr. Sargent:** There we go. Now we are on target.

**Hon. Mr. Grossman:** But you said entertainment.

**Mr. Sargent:** I know, I am coming to that. Now I ask—your travelling expenses are under transportation and communication. Where is the entertainment here?

**Hon. Mr. Grossman:** If there is any entertainment, it would come under services. I do not know what kind of entertainment you are thinking of.

**Mr. Sargent:** I see. We have got it now. You are spending about a half a million dollars on services here now.

**Hon. Mr. Grossman:** Yes, on services, all right. That does not mean—

**Mr. Sargent:** Will you please break those down for me? This is the department where it really happens.

**Mr. Chairman:** Mr. Minister, he would like to know what is included in the services under information services, \$139,800.

**Mr. Sargent:** The vote is \$7 million in services.

**Mr. Peacock:** In Ontario House they have a lot of entertaining.

**Mr. Sargent:** They would not call it that; that would be communication.

**Mr. Makarchuk:** They communicated better in those days.

**Mr. Sargent:** Is that not ridiculous? I am asking the minister is this ethical—

**Mr. Chairman:** Just a minute, he is getting an answer for you.

**Hon. Mr. Grossman:** Under 2202, I am advised that under services, which shows \$763,000, \$6,000 could come under the heading of entertainment.

**Mr. Chairman:** That is the next vote, but—

**Mr. Sargent:** I am talking about this vote, Mr. Chairman.

**Hon. Mr. Grossman:** There is nothing in there for entertainment.

**Mr. Chairman:** I think what the member for Grey-Bruce would like to know, Mr. Minister, is that—

**Hon. Mr. Grossman:** There is nothing in that first vote.

**Mr. Chairman:** Yes, but he is wondering, you know—for information services, an item of \$139,800 is listed as services. He wants to know what is included in the services.

**Mr. Sargent:** Including the bunny girls and everything else.

**Hon. Mr. Grossman:** You know I am a well domesticated married man.

**Mr. Sargent:** I know you are, but you have a staff probably.

**Hon. Mr. Grossman:** There is \$167,000. Film expenses, \$29,900; press releases and general information, \$32,000; publications, \$102,000; other, \$3,600. What is the other? It is not for entertaining anyway, it is miscellaneous expenses.

**Mr. Sargent:** I give up; go ahead!

**Hon. Mr. Grossman:** Now does that disappoint you? There are no orgies shown in our estimates.

**Mr. Makarchuk:** Mr. Chairman, the surveys that were done last year by the previous minister, do they come under information services under this office vote or are they under some other office vote? This is the province-wide survey that was done by Mr. Randall, which I imagine you remember was raised in the House. We were interested in the results.

**Hon. Mr. Grossman:** Under the domestic—

**Mr. Makarchuk:** We are not sure whether it was domestic or—

**Hon. Mr. Grossman:** International; domestic or international—

**Mr. Makarchuk:** —the political future of the Conservative Party. I am not sure which vote it is coming under.

**Hon. Mr. Grossman:** In view of the criticism, I have issued instructions to the staff never to put out anything that does credit to the government, to make sure that it does not do us any—

**Mr. Makarchuk:** What we want to know, Mr. Chairman, is at that time the minister said he would table the results of this survey. We were wondering and we would like to know whether you are going to table this.



Hon. Mr. Grossman: I do not know the survey you are referring to.

Mr. Makarchuk: There was a survey; it is a survey that was done across Ontario. I am not sure—

Mr. Peacock: It was the result of \$800,000 or the \$400,000—

Hon. Mr. Grossman: Now what is the specific question?

Mr. Peacock: Does item 4 cover the expenditure on surveys of citizens, consumers or voters tastes?

Mr. Chairman: That is under vote 2203. We will get to that.

Mr. Peacock: Wait a minute; it does not come under item 2203. Yes, the one that the member for Brantford was speaking of was not in connection with Ontario Place solely.

Mr. Makarchuk: I am referring to the survey that was done last fall which took into account, I gather, the voting patterns, the voting habits, the future voting possibilities or predictions, as well as a few other—

Hon. Mr. Grossman: Raise it under 2203.

Mr. Peacock: Fine; we will raise it under 2203.

Hon. Mr. Grossman: Item 1, vote 2203. So it does not make any difference.

Mr. Makarchuk: Fine; we will raise it then.

Mr. Chairman: Number 4 carried. We will go on to Ontario Place.

An hon. member: Ontario House.

Mr. Chairman: Ontario House rather, I am sorry.

Mr. Sargent: That is not carried, no.

Mr. Trotter: That is not carried.

Mr. Chairman: Anyone have a question on 4? Four is carried. We are on 5 now—Ontario House.

Mr. Makarchuk: Mr. Chairman, could the minister indicate what staff he has in Ontario House? I am not interested that much in the numbers as to what their qualifications are.

Mr. Chairman: Before we start this, since is nearly 6, maybe we could adjourn and start later.

Hon. Mr. Grossman: Forty-two employees.

Mr. Makarchuk: Forty-two employees. I will follow that up.

Mr. Chairman: We will start with item 5 at 8 o'clock, p.m.

It being 6 o'clock p.m., the committee took recess.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Trade  
and Development

Chairman: Mr. W. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Monday, July 5, 1971  
Evening Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
TORONTO  
1971



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## LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JULY 5, 1971

The committee resumed at 8:05 o'clock, p.m.

ESTIMATES, DEPARTMENT OF  
TRADE AND DEVELOPMENT*(continued)*

On vote 2201:

**Mr. Chairman:** Continuing with the estimates of The Department of Trade and Development, vote 2201, item 5, Ontario House.

**Mr. M. Makarchuk** (Brantford): The minister said he had 42 staff—is that correct?

**Hon. A. Grossman** (Minister of Trade and Development): Forty-three.

**Mr. Makarchuk:** Could you give an indication who some of these people are? Are they research people, economists, purchasing, marketing people, assessment types, or what functions do they perform?

**Hon. Mr. Grossman:** Well, for administration, there are two permanent and 15 who are locally hired—that is to administer all of the operations. Two permanent people from trade and industry—and I presume you know what their duties would be. Five are locally hired. So there are seven in trade and industry. Immigration, seven permanent and six locally hired; 13 from immigration. Agriculture, one permanent and three locally hired; one from tourism and from the Liquor Control Board.

**Mr. Makarchuk:** I see. I would imagine the purpose, of course, is to promote the export of Ontario goods; that this is their main function. Could you indicate in terms of the people who are from Canada, not locally hired, what background experience do they have in what they are doing in terms of—how do they arrive at their jobs? Have they been hired from businesses; have they had years of experience with business in Canada, or—

**Hon. Mr. Grossman:** Perhaps, Mr. Chairman, I might suggest for those details, if you would wait until we deal with the trade

and industry and the marketing branch, when we will have the head of the trade and industry branch here and you could ask him those questions. After all, Ontario House is really just the service—

**Mr. Makarchuk:** Yes.

**Mr. Chairman:** Will item 5 carry?

**Mr. Makarchuk:** I am sorry. Would immigration come under this same item; under Ontario House?

**Hon. Mr. Grossman:** Yes.

**Mr. Makarchuk:** Well, what—is that the next vote? Okay, I am sorry.

**Mr. Chairman:** Section 5 carried?

Vote 2201 agreed to.

On vote 2202:

**Hon. Mr. Grossman:** This is Mr. Peter York of the trade and industry branch of the department.

**Mr. Chairman:** Section 1, dealing with industrial development.

**Mr. Makarchuk:** Yes, Mr. Chairman, earlier we discussed with the minister the fact that there is a considerable amount of potential industrial development in Canada in terms of Canadian businesses that would like to expand but cannot expand because of lack of capital, and so on. I just wondered if the minister is reconsidering another policy, or formulating another policy, to assist these businesses in view of the fact that policies enunciated so far are very ineffective in terms of what you are doing or the support you are giving. I gather in your new policy you have handed out only one loan, I think, up to this time. Is that correct?

**Hon. Mr. Grossman:** You are talking about the venture capital?

**Mr. Makarchuk:** Yes, the new venture capital.

**Hon. Mr. Grossman:** Well, it takes a little time to process them.



**Mr. Makarchuk:** Pardon?

**Hon. Mr. Grossman:** It takes some time to process them.

**Mr. Makarchuk:** Yes, I realize that but, you know, again the people are having difficulty waiting for jobs to come into existence. And the other, of course, is the fact that a lot of the industries are located in major urban centres in Ontario—as I touched on earlier—and would like assistance but are in no position to get assistance.

First, are you changing policy and ensuring that assistance is available to these industries in co-ordination with your regional growth, regional development branch and so on? I am assuming that you have that co-ordination going on but so far there is very little indication that it is there.

But assuming that you have that, are you considering assisting these people in some way, either in terms of outright loans, grants, equity capital, share capital, as is being done in other provinces?

**Hon. Mr. Grossman:** Well, I think, Mr. Chairman, it would be just as well if we held those questions for Ontario Development Corporation. While there is, of course, co-ordination between the two branches, ODC would be in a better position to discuss those details with you.

However, as an overall policy, as I stated earlier, Mr. Chairman, the department is being looked at completely with a view to re-organizing some aspects of its operations and reviewing all of the policies of the department.

What the hon. member has mentioned, of course, has concerned us, but finding a solution to it is not easy, because I am sure he can appreciate that the number of industries that would and are, as a matter of fact, asking for assistance is so voluminous that if we were not to have some sort of restriction in respect of areas at this stage, it would be a very difficult task.

Everybody wants some assistance. Our first priority is to help those areas which need the most help and then we will move into those areas which the hon. member mentions.

The problem involved here is, generally speaking, in the built-up areas—in a place like Toronto, for example. The average businessman, the average manufacturer who cannot get conventional loans, that is, through a bank, is, generally speaking—and there

may be some exceptions—operating the kind of business which would not be eligible for, and should not be eligible for, public assistance.

**Mr. Makarchuk:** Well, I question that. Now, when you say “areas that need most help” you are talking in terms of geographical areas. You are not talking in terms of areas in the economy.

**Hon. Mr. Grossman:** That is right.

**Mr. Makarchuk:** Geographical areas. Well, for the benefit of the minister, I gather the gross provincial product in 1971 will be \$38.1 billion and I gather the possible gross provincial product is roughly about \$40 billion, assuming we have full employment. You have a gap right now of roughly two billion. Am I correct in that?

**Mr. P. A. York (Trade and Industry):** You are slightly high.

**Mr. Makarchuk:** Slightly high. Well, I am using the provincial Treasurer's (Mr. McKeough) optimism as the basis for my report. That means roughly another, shall we say, loss of about \$250 million in revenue for the province.

So you realize the importance in those economic terms. We will ignore the human factor, shall we say, the social problems that arise as a result of unemployment, and so on; we will ignore that, but perhaps, as I have done in the past, appeal to the economic sense of the minister.

Of course, there is this extra revenue that can be generated in the province for the provincial budget. And again it does not seem to me that your industrial development programmes right now—all you have been telling us is that you are looking at everything, from natural resources, you are looking at various programmes. You are going to set up new committees, and so on. The Minister of Mines (Mr. Bernier) told us the same thing, the Minister of Transportation and Communications (Mr. MacNaughton) told us the same thing.

**Hon. Mr. Grossman:** Well, do you not want us to do that?

**Mr. Makarchuk:** The Minister of Health (Mr. A. B. R. Lawrence)—but they told us the same thing last year and the year before.

**Hon. Mr. Grossman:** I did not tell you that last year.

**Mr. Makarchuk:** We are getting a bit annoyed about the looking. You are the great seekers, you know—

**Hon. Mr. Grossman:** We are always seeking.

**Mr. Makarchuk:** Yes, that is for sure, we want a few doers in there for a change.

**Hon. Mr. Grossman:** We have done a lot.

**Mr. Makarchuk:** Well, we question that. If you have done a lot, you could—

**Mr. E. W. Martel (Sudbury East):** 150,000 people unemployed in Ontario.

**Mr. Makarchuk:** All you have to do, Mr. Minister, is look at the last manpower review issued by the Dominion Bureau of Statistics and it is recorded in there—roughly 200,000 unemployed. **How much more do you want to do?**

**Hon. Mr. Grossman:** I do not think, no matter how valiantly the hon. member tries, that he is going to convince the people that the Province of Ontario is not trying as valiantly as it can to fill the gaps created by a federal policy. He is not going to be able to lay on to this province the responsibility for all those people thrown out of work by federal policy. I think that is what he is attempting to do.

**Mr. Makarchuk:** No, I am not; not all the responsibility. But what we are trying to stress here is that The Department of Trade and Development, imaginatively handled, can do a lot to alleviate some of the problems created by the federal government.

**Hon. Mr. Grossman:** Right.

**Mr. Makarchuk:** Okay. We agree on that.

**Hon. Mr. Grossman:** That is what we are doing.

**Mr. Makarchuk:** What we want to know is what you have done. You have not done anything.

**Hon. Mr. Grossman:** I do not agree with that.

**Mr. Makarchuk:** The programmes you have come out with—You look at your programmes. The \$1 million for the tourist industry, this is a minor thing, a mere drop in—

**Hon. Mr. Grossman:** No, the hon. member knows that is incorrect. The hon. member knows that I have told the House when that question was raised, that you have to put something in the budget. This is the sort of thing that you cannot visualize, how much money you are going to require, so you put a nominal figure in the budget. If we need any more for that purpose, we will get it.

**Mr. Makarchuk:** But the \$1 million is just a start, is that what you are saying?

**Hon. Mr. Grossman:** And \$1 million—you have to start with something in your hope—

**Mr. Makarchuk:** How much did you spend last year for assistance to the tourist industry?

**Hon. Mr. Grossman:** That will come under ODC.

**Mr. Makarchuk:** Well, again, it is—

**Hon. Mr. Grossman:** Mr. Chairman, may I appeal to the fairness of yourself and the committee. There is only so much paper an official, a member of the staff can carry with him. Obviously if we have the head of the trade and industry branch carry a duplication of what the ODC people are carrying and vice versa, you will have a lot of unnecessary paperwork.

**Mr. Makarchuk:** Well, Mr.—

**Hon. Mr. Grossman:** It is specifically a matter for ODC and you will get this information then.

**Mr. Martel:** Mr. Chairman, it is also unfair to the members because there has to be overlapping in both of them.

**Hon. Mr. Grossman:** I agree.

**Mr. Martel:** To simply continue to put it off into another branch—I realize in fairness to your people that they cannot bring filing cabinets here—

**Hon. Mr. Grossman:** Yes.

**Mr. Martel:** —but it is also difficult for us as members to discuss any of these things, when we are talking about industrial development. Certainly industrial development is going to coincide with the type of loans that you make under ODC or the section to northern Ontario, so it makes it extremely difficult to keep them separate.

**Hon. Mr. Grossman:** I agree, Mr. Chairman, and this is another matter that is being

looked at in our reorganization. There is going to be a greater meshing of the two branches of the department. In the meantime, any information the hon. members seek can be gotten, but it is only unfair to the extent that you have to wait for another vote.

**Mr. Chairman:** I would ask the members of the committee to direct their questions to the Chair. Mr. Martel interrupted.

I have another speaker here—Mr. Carruthers.

**Mr. A. Carruthers (Durham):** Just in the same vein, Mr. Chairman. I notice on page 46 of your economic review that there are some 152 new industries established in the province in 1970 of which 19 were from the United States. What does this represent in employment? Or is this out of order? Does this come under ODC?

This looks like a major development, 152 industries in the province last year. I was rather interested to note that only 19 of those are United States firms. What does this represent in employment? I understand they must have 10 or more employees to qualify.

**Hon. Mr. Grossman:** The number of new manufacturing establishments in Ontario for the year 1970; there were 127 new manufacturing establishments, Canadian—

**Mr. Carruthers:** Canadian.

**Hon. Mr. Grossman:** Canadian. And 24 foreign.

**Mr. Carruthers:** That is right.

**Hon. Mr. Grossman:** The reported investment of the Canadian firms, \$63,341,000; employment reported was 4,100; the estimated service employment, 6,971; with a total estimated employment of something over 11,000.

The foreign establishment, as I said, was 24 companies with a reported investment of \$6,350,000; 571 reported employment, with an estimated service employment of 970 or an estimated total employment of 1,541. I think that is pretty good.

**Mr. Carruthers:** Mr. Chairman, I am not nearly as despondent as I was.

**Hon. Mr. Grossman:** Well, it depends on your view. From the opposition, you look at the gloomy side. If you are with the government, you look at the optimistic side.

**Mr. Makarchuk:** Yes, I was getting quite pessimistic but I think we should bring to the member's mind and also to the minister's

mind that in order to absorb the people coming on to the labour force you have to have something like 100,000 new jobs in Ontario. Here you have given us something like 13,000 new jobs, which hardly reaches the target.

**Hon. Mr. Grossman:** These are only in new plants. We are not speaking of expansions; we are not speaking of other industries which are not manufacturing, joint ventures, licensing. You know, nobody is suggesting we are getting 100,000 new jobs each year which is the target which we—

**Mr. Makarchuk:** Oh, fine, this is what I want.

**Hon. Mr. Grossman:** Of course, otherwise we would not be talking about unemployment.

**Mr. J. B. Trotter (Parkdale):** You were talking about 132,000 jobs in the Throne Speech.

**An hon. member:** Are you kidding?

**Hon. Mr. Grossman:** In the Throne Speech we talked about the housing—

**Mr. Trotter:** It was 132,000 all along.

**Hon. Mr. Grossman:** —the construction industry providing work for 132,000 people—

**Mr. R. Haggerty (Welland South):** New jobs.

**Mr. Makarchuk:** That was demolished the following day. Do not let us embarrass the minister any more with those figures.

**Mr. Trotter:** The press certainly interpreted it wrongly.

**Hon. Mr. Grossman:** I did not make the press speech; I made my own and so did the Lieutenant Governor make his and he did not say new jobs.

**Mr. Chairman:** Mr. Trotter.

**Hon. Mr. Grossman:** And incidentally, Mr. Chairman, if I may—

**Mr. Trotter:** The Lieutenant Governor needs a new speech writer.

**Hon. Mr. Grossman:** May I suggest to you, sir, that I think Mr. Lewis, the head of the federal NDP, criticized the federal government for using the term "man-years" of employment, rather than the figures which I use—



**Mr. Trotter:** You are playing with figures.

**Hon. Mr. Grossman:** —such as the number of people this would employ. So it depends on where you are sitting.

**Mr. Trotter:** You are playing with figures.

**Mr. Chairman:** Mr. Trotter, you have a question?

**Mr. Trotter:** I would like to know, Mr. Chairman, if the minister could tell us, under trade development, how many visits do you make per year? I think you take groups of businessmen abroad? Do you have any idea how many visits there are per year?

**Hon. Mr. Grossman:** In 1970 we had business opportunity missions visiting 19 cities. There were 19 business opportunity missions. As a result of the international branch activities, the following results were obtained. Branch plants locating in Ontario, 24; joint ventures with Ontario companies, 6; licensing arrangements with Ontario companies—and I would draw that to the attention of the hon. members—licensing arrangements with Ontario companies, 102; and projected sales from missions and other office visitors, \$41,682,000; agents appointed by Ontario manufacturers, 399; and buyers sent to visit Ontario manufacturers, 267.

That is a pretty good record.

**Mr. Trotter:** Is this business that has taken place in Ontario or as a result of these visits that the department would make?

**Hon. Mr. Grossman:** It is a result of the visits. That is all we report on.

**Mr. Chairman:** Mr. Makarchuk.

**Mr. Makarchuk:** Yes.

**Mr. Trotter:** Just a second, I am not through here.

How do you analyse this? I ask this question, Mr. Chairman, because I remember once on the public accounts committee we asked the same questions and we were told there was no way of really knowing what the department would bring in.

**Hon. Mr. Grossman:** I would say that if you are asking for exact information, precisely, I would think that that is probably a true statement, because they do not always follow through. I would think that our figures are on the low side, because these are the figures which are actually reported to us as a result of these missions. I have been on one of them; I have seen how it operates.

Perhaps, Mr. Chairman, Mr. York might be permitted to explain in more detail how this is done and how we obtain the figures that we use in the results.

**Mr. York:** Mr. Chairman, each year we visit approximately 10 cities in the United States and 10 abroad. Last year we visited Cleveland, Dayton, Garden City, Baltimore, Minneapolis, Columbus, Palo Alto, Denver, Kansas City, Houston, San Jose, Boston. And in Europe places like Brussels, Göteborg, Birmingham, Frankfurt, Manchester, Paris.

These are selected statistically as to the areas which have the greatest potential. By "greatest potential," we mean the areas where we can get the greatest return of interest in new branch plants, joint ventures, licensing arrangements, investment of any kind and also the reverse, where Ontario-made products can be sold.

The operation is a complex one; it is a highly sophisticated one. Very briefly, we get the prospects from a computer printout which is done by Dun and Bradstreet to meet certain specifications that we put down as to companies who we feel have the best opportunity to succeed in Ontario, such as their sales, their net worth, the number of employees they have, whether they export. We feed this into the computer; the print-out comes and we use these as our prospects for cold, hard calls. That is how these are done.

**Mr. Trotter:** How do you get your results?

**Mr. York:** We call on them and we keep an active file when a man makes a call—or rather, to save time, people come in to see us. We generally average between 70 and 80 interviews in every one of these places. Our people have just returned from Stuttgart, where they saw 80 people.

Now these active files are set up on the people who have expressed an interest and we follow those up to conclusion. It generally takes anywhere from 12 months to 18 months for something to come to fruition and we know, when these people have expressed an interest, as we follow them along, whether they are interested or not.

That is how we maintain the count of what transpires. In other words, these are the reported ones.

But we start out with cold, hard calls on statistically selected prospects and maintain files on these. Then, when we leave, the people in our area—that is the people abroad whose office covers that particular area—

these are used as the follow-up until, as I say until something comes to fruition or the thing becomes null and void.

**Mr. Trotter:** Mr. Chairman, when the federal government has trade missions abroad, is there not a lot of overlapping on what the Ontario government does and the federal government does?

**Mr. York:** No, Mr. Chairman, there is not. We work very closely with the federal government. The federal government up to the present time has 70 offices abroad, we have 14. They perforce, by reason of the selection of their people, mainly concentrate on assistance in exporting the products of Canada, and obviously, since we have 10 provinces, they can only devote so much time to each province. We, on the other hand, concentrate our efforts on the industrial development angle. They admittedly do not have the expertise in that.

**Hon. Mr. Grossman:** I think it would be honest to say that the federal department, as a matter of fact, to a very marked extent looks to Ontario Trade and Development programme for a great deal of assistance and know-how in many areas. I found this out personally. I think that they will agree with this.

**Mr. Chairman:** Mr. Makarchuk.

**Mr. Makarchuk:** Yes, Mr. Chairman. The minister is saying they are examining new policies regarding grants to new industries. Could he tell us when we can have some kind of details? Is it going to happen before the House adjourns or during the next election campaign, or when is the new statement going to come out?

**Hon. Mr. Grossman:** Mr. Chairman, I know that certain members would like to look at this very cynically.

**Mr. Makarchuk:** We have experience.

**Hon. Mr. Grossman:** All right. You can have whatever reason you like.

**Mr. Makarchuk:** Remember when you came out with the EIO loans in 1967?

**Hon. Mr. Grossman:** I would just say this, Mr. Chairman, as far as this department is concerned, we do not play ducks and drakes with people's jobs. We are very anxious to get as much economic activity in this province as quickly as we possibly can. Whether

there is an election impending or not is beside the point.

As a matter of fact, a great deal of this, as Mr. York has pointed out is a fairly slow process—12 to 18 months before you bring many of these things to fruition. Obviously we are anxious to do as much of this as quickly and as ably as we possibly can.

So I cannot tell the hon. member just precisely when I am going to be able to announce any particular new policy. We will do this just as soon as it is possible to announce something which has been studied properly and when we know that it is a practical thing to do and we know it will do more good than harm.

I am afraid that is the only answer I can give the hon. member. These things are very complex. They are very difficult to accomplish and cannot be done overnight, unfortunately. We will do it just as quickly as we can.

**Mr. Makarchuk:** Mr. Minister, I would buy your argument if you had assumed the mantle of power just a year, or two years ago and you were then faced with this situation. But you have been in power for 28 years.

**Hon. Mr. Grossman:** And we have not done a bad job for this province.

**Mr. Makarchuk:** As I said earlier, every other civilized country in the world has licked the problem of unemployment.

**Hon. Mr. Grossman:** Oh, come on.

**Mr. Makarchuk:** All right. You name one. Outside of Canada and the United States you name some of the western countries in the world that have an unemployment problem right now.

**Mr. Carruthers:** Did the member read this morning's Globe and Mail? In western Europe the poverty is terrible.

**Mr. P. J. Yakabuski (Renfrew South):** Look at the aftermath of Labour in Britain.

Interjections by hon. members.

**Mr. Chairman:** Order.

**Mr. Martel:** They were not around long enough to do anything.

**Mr. Makarchuk:** The dinosaur has come to life again. Would the minister care to tell us in the House right now, where you have an

unemployment problem in other countries of the world?

**Hon. Mr. Grossman:** I would just tell the hon. member that this government, or this party, has nothing to apologize for, for the manner in which Ontario has been growing in the last 28 years. It has done all right.

**Mr. Makarchuk:** We will let the electorate decide.

**Hon. Mr. Grossman:** I am answering his question, Mr. Chairman.

Interjections by hon. members.

**Mr. Chairman:** Order!

**Hon. Mr. Grossman:** The hon. member, just before recess—

**An hon. member:** Is there any place you would rather be? Manitoba and Saskatchewan.

**Mr. Chairman:** Order. The minister is answering a question. Order, please.

**Hon. Mr. Grossman:** The hon. member just before dinner recess was at great pains to point out why Ontario was such a great place for industries to come and establish, to such an extent that we did not have to offer them any incentives. So Ontario is a great place for these people. Industry wants to come here as the hon. member said himself. It is very anxious to establish here. People are anxious to come here, they are coming here by the thousands. We have nothing to apologize for and indeed we are very proud of what has happened to Ontario in the past 28 years.

Interjections by hon. members.

**Mr. Martel:** Why do you not tell that to the people in northern Ontario?

**Mr. Chairman:** Order.

**Mr. Makarchuk:** Mr. Chairman, it is very nice and satisfying for us to sit here after—

Interjections by hon. members.

**Mr. Carruthers:** How about East Germany?

**Mr. Makarchuk:** Would you listen? Would you shut up and listen and you might learn something? Okay?

**Mr. Chairman:** It is very satisfying for us to sit here and say how great things were for us. There is no doubt in our minds, making, shall we say, \$18,000 plus, we have it made;

there is no concern here. And obviously from the noise emanating from over there they never had any concern. But there are people in Ontario right now who are out of work, who are desperate. They are leading lives of quiet desperation. Now we tried to get out of the minister some kind of a commitment, or some kind of an indication, as to what he is going to do or try to do to resolve some of the unemployment problems, and so far you have not given us a thing.

**Hon. Mr. Grossman:** That is a matter of opinion, Mr. Chairman.

**Mr. Makarchuk:** Well, you have not. You have not given us one specific project that in any way will come toward meeting the number of people going into the labour force, or catching up to the backlog of people who are unemployed at the moment. What you have done is you have bought a policy of continuous unemployment right now.

**Mr. Yakabuski:** Oh, clap-trap.

**Mr. Makarchuk:** And furthermore, in addition, Mr. Minister, I am still waiting for your answer on the country that you say has an unemployment problem, outside of Canada and the United States.

**Hon. Mr. Grossman:** Well, there are various.

**Mr. Makarchuk:** Name one.

**Hon. Mr. Grossman:** We went into this before the dinner hour.

**Mr. Makarchuk:** You have not named one country yet.

**Hon. Mr. Grossman:** We went into this before the dinner hour.

**Mr. Makarchuk:** No, you just started to make the statement just now.

**Hon. Mr. Grossman:** You want to make sure you are not comparing apples and oranges.

**Mr. Makarchuk:** We are not comparing apples and oranges. We are comparing unemployment—

Interjections by hon. members.

**Hon. Mr. Grossman:** It has been a good dinner hour.

**Mr. Chairman:** Would you allow the minister to answer, please?



**Mr. Makarchuk:** We are trying to compare unemployment.

Interjections by hon. members.

**Mr. Chairman:** Order. Would you allow the minister to answer, please?

**Hon. Mr. Grossman:** We are repeating ourselves, Mr. Chairman. The question was asked before dinnertime and I gave the hon. member my views that you cannot compare one nation necessarily with another. In the first place you are dealing most of the time with countries which have a one-unit government, which are very small nations in many instances and you are comparing them with a nation as large as Canada—20 million-odd people—living next to our great neighbour to the south. There is no doubt about it, this is, of course, what has been concerning us all this time. We are affected. Why, every time the elephant sneezes the mouse catches a cold.

**Mr. Martel:** You are not saying anything new.

**Hon. Mr. Grossman:** Of course, you have heard that. They would probably give you the same answer to the same question and, you know, we could put everybody to work. We could put them to work by carrying out policies which, in fact, would make them all work for the government.

**Mr. Martel:** It is better to have them unemployed.

Interjections by hon. members.

**Hon. Mr. Grossman:** Put them in a massive labour camp.

Interjections by hon. members.

**Mr. Makarchuk:** Mr. Chairman, if I may pursue the point—

**Mr. Chairman:** You are not finished yet?

**Mr. J. E. Bullbrook (Sarnia):** What kind of circus is this?

**Mr. Makarchuk:** —while that blabbermouth over there is silenced.

Interjections by hon. members.

**Hon. Mr. Grossman:** I have not finished answering the question.

**Mr. Chairman:** Order, please!

**Mr. Makarchuk:** The minister says—

**Hon. Mr. Grossman:** I have not finished answering the question—

**Mr. Makarchuk:** The minister is not—I am sorry. Has he finished?

Interjections by hon. members.

**Mr. Carruthers:** How does it compare with East Germany?

**Mr. Makarchuk:** They have no unemployment.

**Hon. Mr. Grossman:** Let us compare it, Mr. Speaker—

**Mr. Makarchuk:** How about West Germany?

**Hon. Mr. Grossman:** Mr. Chairman—

**Mr. Bullbrook:** They do not have any unions!

**Hon. Mr. Grossman:** Mr. Chairman, we are going to make some comparisons. The elephant to the south has an employment rate, I am told as of now, of 5.7 per cent. Ontario, the little mouse next to the big elephant, has an employment rate—an unemployment rate—of slightly less than that, 5.6 per cent.

Having regard for all of the forces we have to battle, including the policies of the federal government, we are not doing very badly.

**Mr. Carruthers:** I would say we are doing pretty well.

Interjections by hon. members.

**Hon. Mr. Grossman:** Now we are not happy with it. We are expending all our energies, as much as we possibly can, to do something about the unemployment situation in this province. If we are to carry out the policies as expounded by the hon. member and his party and cut off at this time—

**Mr. Bullbrook:** You basically are.

**Hon. Mr. Grossman:** —all foreign investment, we would have 20 per cent unemployment.

**Mr. Bullbrook:** You know what you are? You are a \$3 bill.

**Mr. Chairman:** Order, please!

**Mr. Makarchuk:** Right. Mr. Chairman—

Interjections by hon. members.

**Mr. Makarchuk:** Mr. Chairman, if the minister says 5.6—the Dominion Bureau of Statistics says 6.1—they do not know what they are talking about.

**Hon. Mr. Grossman:** Six point one for what?

**Mr. Makarchuk:** For the month of March.

**Hon. Mr. Grossman:** For what province?

**Mr. Makarchuk:** For Ontario! Do you want to see it? Pass it on. Give it back, will you?

**Mr. Martel:** Hang on to it. You will need it.

**Mr. Makarchuk:** The other point the minister raises is the fact, the reason, the other countries have success in employment—

**Hon. Mr. Grossman:** I have a good left hand.

**Mr. Makarchuk:** Okay, fine. The reason that the other countries are so successful in employment is the fact that there is no diversity in the country; that there is only one kind of government and so on. This not true. West Germany has a federal system of government. Switzerland has various cultures; so does Belgium have various ethnic groups—

**Hon. Mr. Grossman:** I am sure the hon. member knows why West Germany has no unemployment over the last 20 years.

**Mr. Makarchuk:** —and furthermore, would the minister kindly—I tried to keep quiet when he spoke and I will have my book back! Furthermore, the point that I am trying to stress here to the minister is the fact that the industry there is privately owned in most cases. About 90 to 95 per cent is privately owned which is probably on a par with what it is here.

But you have a case of government involvement, a government that is dedicated to the concept of full employment and it proceeds to do it. They also have people who will not tolerate unemployment, which is happening in Ontario. You are going to bear that kind of—

**Hon. Mr. Grossman:** Is the City of Stockholm in a position to do something more for itself than the whole of Sweden or is the one country of Sweden doing—

**Mr. Makarchuk:** Let us put it this way, Mr. Minister. At one time Canada had the

second highest standard of living, and now Canada has the fourth highest standard of living. That does not, shall we say, attest to any careful stewardship or management of our affairs. Now can I have my book back?

**Hon. Mr. Grossman:** We will get it back to you. We want to make sure you did not print the page.

**Mr. Makarchuk:** I thought you were going to write to DBS and correct them.

**Hon. Mr. Grossman:** Probably.

**Mr. Chairman:** Mr. Jackson.

**Mr. Makarchuk:** Getting back to the previous statement, when you said you did not have the figures for the loans to tourist resorts. They were so involved—how much you gave them. Again, we are talking in terms of policy because, shall we say, if you create jobs and expansion there you will have further employment because of the services. The service industry is one area where you can have development.

For your benefit I have the figures here and it is not that great. You spent \$151,000 last year. That is all.

**Hon. Mr. Grossman:** On what?

**Mr. Makarchuk:** In terms of tourism loans. As of December 31, 1970—Fern Resort, \$50,000; Nipigon Lodge, \$7,000; Northwest Bay Trading Post, \$20,000; Opechee Camp, \$18,000; Sunbeam Hotel and Lodge, \$50,000; and Twelve O'Clock Point Lodge, \$6,500. A total of \$151,500, that is all.

Is that correct? Now you have got \$1 million this year that you say, really you know, is a nominal sum. We look back and you say that was a nominal sum last year, but in reality you are not spending anything, you know, in terms of producing the kind of jobs or expansion that we require—

**Hon. Mr. Grossman:** As a matter of fact, we have increased and expanded the assistance to the tourist industry this year.

**Mr. Makarchuk:** Sure you have increased it, but you have not spent the money.

**Hon. Mr. Grossman:** Yes, we have. Get those figures please.

**Mr. Makarchuk:** I have not seen the figures for this year, but we will probably get into that in more detail a little later on. These are the figures for last year, and last year you had the same options open to you to spend

the money to increase the tourist trade and you have not done it. What confidence can we place in you that this year you are going to be different?

**Hon. Mr. Grossman:** You have got to have confidence in me knowing me and knowing the drive and aggressiveness that I have to get it done.

**Mr. Makarchuk:** We are trying to find out. The drive and the aggressiveness could possibly be demonstrated in some tangible programme that would be in effect now.

**Hon. Mr. Grossman:** It is already started—

**Mr. Makarchuk:** You have not done a damn thing—

**Hon. Mr. Grossman:** Of course we have—

**Mr. Makarchuk:** No, you have not. You have not done anything. I do not think you have created; you probably have a minus quantity of jobs.

**Mr. Martel:** They cut trees!

**Mr. Makarchuk:** I am sorry—you do cut trees, yes. You have not considered hiring another 3,000 people to go around and infect them, have you?

**Hon. Mr. Grossman:** I have an idea you do not have much confidence in this government.

**Mr. Makarchuk:** No, you are quite right. I will stop there, if anybody wants to continue.

**Mr. Chairman:** Mr. Jackson.

**Mr. Bullbrook:** That last reply is worthy of the Premier (Mr. Davis). "I do not think you have confidence in this government." My goodness! I think he writes your speeches. I wondered who wrote this, really!

**Mr. Chairman:** Mr. Jackson has the floor.

**Mr. D. Jackson (Timiskaming):** Mr. Chairman, the government admit that they recognize the tourism industry as a viable industry for northern Ontario. As my colleague says, they have come up with \$1 million that is supposedly going to finance tourism. The \$1 million that is supposedly going to finance tourism has very serious restrictions placed on it.

It is only available to those who are already in business and can prove that they have a viable business. It does not take into consideration the many persons who could get

into business in the tourism industry in Ontario.

I have had two cases in the last month. One was a marina and the department will do nothing for him because they do not finance marinas. Yet that marina could bring in quite a number of smaller businesses—ancillary business—and yet because of the policy of the department, they do not finance it.

What research is being done by your department right now to find out how many jobs are really dependent on the tourist industry? How many jobs are possible and in what way can you promote it? From what I see, you are giving nothing more than lip service and tokenism in your \$1 million because it really means nothing—

**Hon. Mr. Grossman:** I have already, just a few moments ago, explained what the \$1 million represented. If the hon. member wishes to ignore it and keep talking—

**Mr. Jackson:** We know what it represents.

**Mr. Makarchuk:** It represents a lot of headlines in the paper and nothing else.

Interjections by hon. members.

**Hon. Mr. Grossman:** If we wanted headlines, we would not put \$1 million in.

**Mr. Martel:** Seven million—

**Hon. Mr. Grossman:** We would have put \$10 million.

**Mr. Martel:** Did you not announce \$1 million last year too?

**Hon. Mr. Grossman:** I did not announce anything.

**Mr. Jackson:** Mr. Chairman, my point is that the department really is not doing any research into other—

**Hon. Mr. Grossman:** I do not know—

**Mr. Martel:** Ask the man beside you.

**Hon. Mr. Grossman:** What did we have last year? Wait for the ODC vote.

**Mr. Chairman:** I would suggest we bring this up again under the ODC vote.

**Mr. Jackson:** Has the department any policy—

**Mr. Bullbrook:** The ODC vote will be really a wrangle. It might last three days.



**Hon. Mr. Grossman:** What is wrong with that?

**Mr. Jackson:** What are you actually doing to try to promote the tourist industry?

**Hon. Mr. Grossman:** Pardon?

**Mr. Jackson:** One million dollars does not promote the industry. It helps those persons who are, in most cases, able to help themselves.

**Hon. Mr. Grossman:** Is the hon. member suggesting that we financially help new people who want to come into the tourist industry?

**Mr. Jackson:** I would like at least for the department to get involved in research and see what they could do.

**Hon. Mr. Grossman:** That might not be such a bad idea. On the other hand, in going over the records I noticed that the department was criticized in the odd instance when it was felt that it had helped an industry or helped somebody new come into business—when it appears that that particular industry is on the downgrade. If we are having difficulty now with some of our tourist operators, are you suggesting we bring more in to compete with them?

**Mr. Jackson:** Are you saying that if General Motors goes out of business we refuse to help Ford? That is what you are saying.

**Hon. Mr. Grossman:** That is not what I said.

**Mr. Jackson:** You did.

**Hon. Mr. Grossman:** I said generally we have—

**Mr. Jackson:** You are saying we should not promote new industry.

**Hon. Mr. Grossman:** We are saying that if the automobile industry is having difficulty presently in Ontario, we should not go out and financially help some other automobile plant to come in and establish itself.

**Mr. Jackson:** Surely the tourist industry is in trouble in this province—

**Hon. Mr. Grossman:** Does that not make sense?

**Mr. Jackson:** —because of a lack of action on the part of government and the fact that they never have really promoted this industry.

**Hon. Mr. Grossman:** That is a matter of opinion.

Interjections by hon. members.

**Mr. Grossman:** We will get into that under ODC.

**Mr. Chairman:** Order!

**Mr. Martel:** When did you ever get beyond Yonge Street north?

**Mr. Carruthers:** I have a question. Have you any figures to show how many tourist industries have been developed in Ontario?

**Mr. Bullbrook:** You have asked an embarrassing question.

**Mr. Carruthers:** No, it is not embarrassing. What I was particularly interested in, Mr. Chairman, was the trade and industry's sales mission programme. Two local industries I noticed—one was Mathews Conveyer, Port Hope, which went to the Netherlands, and Nicholson File—both those companies have almost full employment today and no doubt both industries depend to a great extent on the export trade. For example, with Nicholson File, do they make their decision or do you make the decision and direct them as to where they should go?

**Mr. York:** We make the decisions.

**Mr. Carruthers:** You make the decisions?

**Mr. York:** Yes. Every two weeks, sir, we select 10 industries from Ontario, with a heterogeneous product line. Our people go to ensure that they are actually producing, and they are not importing in the back door and exporting out the front door. We ensure that their products have export potential through our research department or through the use of the federal service officers in the areas where we do not have offices. We train them in the price structuring, even how to file out a B13 exports form or work out a CIF price. We have a captain who actually takes them there and they keep three or four appointments each and every day for the one week, 10 days or two weeks that they are there.

**Mr. Carruthers:** I am just taking those two examples, because if this is true across the province you are doing a great job. Certainly, in that area the export trade, upon which it depends, is booming. I am getting more optimistic all the time. I was getting quite pessimistic.

**Hon. Mr. Grossman:** Just do not listen to the opposition. You would not be an optimist.

**Mr. Chairman:** Mr. Peacock.

**Mr. H. Peacock (Windsor West):** Mr. Chairman, as I listened to Mr. York answer questions as we opened discussion on item 1, I took it he put more emphasis on the industrial development side of the programme rather than on the trade side. Now, we are on that item, so perhaps that was the reason he gave that emphasis.

There are two areas of opportunity, in my judgement, in this province that ought to be pushed very hard at this juncture. One results from the alleged decision of the Prime Minister on the Spadina Expressway which points to a greater provincial government interest in the use of surface and subway rapid transit facilities to carry people in and out of the centres of our large cities; and the other is fast, efficient service between cities by other than the traditional railway and expressway transportation systems.

The first area of interest brings to mind what the government is doing, or what it is not doing, to encourage firms like Canadian Car and Foundry in Fort William, and others like it, engaged in the production of heavy capital equipment like railway carriages and other rolling stock which obviously, in a much expanded commuter-oriented transit service, would have a great deal of interest in expansion of their facilities. That particular firm in Thunder Bay, as the minister knows, has been in some difficulty in past months. There are other sectors or branches of that industry in Ontario which would benefit from the kind of stimulation that could be offered through greater government grants to rapid transit.

In the second area I am thinking particularly of de Havilland, the firm with which the minister has met recently to inquire of its intentions as to whether or not it is going to stay in Downsview or be bought out and have its operations transferred by, I believe it was, Canadair to Montreal at Longueuil. De Havilland, as the minister knows, has pioneered in the short takeoff and landing aircraft development.

It went into a joint venture or partnership with Douglas Aircraft Company some years ago in the production of DC-9 wings and empennages, and once Douglas apparently was assured of a breakeven market for the DC-9, it took over the subcontract which de Havilland had held before, bought out

the old A. V. Roe facilities at Malton and proceeded to produce the wings and other components in its own newly acquired facilities at Malton, leaving de Havilland in the lurch, at least in respect of that order.

Now, here are two firms in this province, both of which have a large part to play, at least in the past, in those two industries—air transportation and the railway transport. I wonder what interest the branch has taken in promoting their particular expansion in light of what, I would think, is obviously going to be a greater demand for the products that they are engaged in designing and manufacturing.

**Hon. Mr. Grossman:** Well, in the first place the hon. member will appreciate that the very increased grant to public transit will in itself, or should in itself, add a fillip to the industry. He would be interested in knowing, if he does not already, that there is a provincial transportation task force consisting of members of the staff of The Department of Highways, Transport and Communications and our department. They visited European and North American centres which use advanced transportation methods, such as air-cushioned vehicles, monorails and so on, in order to seek manufacturing arrangements, joint ventures and possible branch plants along these lines.

And, of course, those industries which we already have, and the hon. member mentions one of them, will be given top priority. They are already in existence and they are employing people. I think there is a great future for those people in that manufacturing industry.

**Mr. Peacock:** Well, specifically, Mr. Chairman, has the branch been in touch with the Canadian Car and Foundry of Thunder Bay in respect of the capacity of that firm to design and produce for an expanded rapid transit facility in Metropolitan Toronto, or any other large city that will qualify for the new grants for subway road beds, classification, yard signalization and other kinds of equipment? It is not good enough for the minister to say encouraging words. I want to know if, in fact, the research office of the branch has undertaken any kind of work in this respect.

**Hon. Mr. Grossman:** This task force will do that.

**Mr. Peacock:** Which task force?

**Hon. Mr. Grossman:** I just mentioned the provincial task force which—

**Mr. Peacock:** Oh, yes, but the provincial task force the minister just mentioned is engaged in a study, in a review of alternate modes of transportation, some of which are in the nature of demonstration projects in Europe and elsewhere. What I am talking about—

**Hon. Mr. Grossman:** They are also engaged, as I mentioned, in a process of seeking manufacturing arrangements, joint ventures, possible branch plants, and obviously, like the Canadian Car and Foundry—

**Mr. Peacock:** The Department of Highways representatives?

**Hon. Mr. Grossman:** Well, the task force, while they are doing this, while they are visiting these places and others as well, are interested to make sure that they are going to have the ability to handle whatever transport programme, whatever transport policy is, in fact, going into effect.

**Mr. Peacock:** Well, is the task force then canvassing possible sources for the equipment that would be required?

**Hon. Mr. Grossman:** Yes.

**Mr. Peacock:** And it is doing this abroad?

**Hon. Mr. Grossman:** It is doing it here, too.

**Mr. Peacock:** My concern, Mr. Chairman, is that the firms who already have a capacity to produce that equipment, design it, provide some of the accessory equipment located in this province, will have a fair chance at developing—

**Hon. Mr. Grossman:** They will have more than a fair chance; they will get first chance, the best chance.

**Mr. Peacock:** And that, unlike some of our early rapid transit development, the bulk of the equipment will not be ordered from abroad, but will come from firms in this community, in this province, which have been experiencing difficulties, which have had to lay off large numbers of people in the past. I want to know what the minister's department, and this branch in particular, is doing to alert these firms and to advise them of the needs of the future transit systems in the large cities of the province, much of which will be guided by the kind of financial assistance, the kind of planning that The Department of Highways, or the new Department of Transportation and Communications will

undertake. The task force, I would guess, is concerned more to look at alternate modes of transportation than sources of equipment.

**Hon. Mr. Grossman:** Well, obviously, you have to decide on the forms of transportation you are going to settle on before you decide what you are going to ask somebody to produce.

**Mr. Peacock:** Yes. Is Mr. York signalling that I am right in that surmise?

**Hon. Mr. Grossman:** Well, he is signalling—

**Mr. York:** You are perfectly right, sir, but—

**Hon. Mr. Grossman:** That is the first thing you have to do.

**Mr. Peacock:** Right. We have got a capacity here. We have the experience of GO Transit, we have got the experience of running commuter passenger service on the existing railway lines. I would think that it is much more likely that we will rely on equipment that is closer to the conventional kind of equipment; conventional in the sense that we are running now on GO-Transit lines, or on railway commuter lines, than is likely we will be relying on very sophisticated and futuristic alternatives like mono-rails and air cushion and so on.

**Hon. Mr. Grossman:** Well, when that is decided. I think the hon. member will agree that the first thing to do is to make that decision.

**Mr. Peacock:** Right.

**Hon. Mr. Grossman:** As a matter of fact, the hon. member knows, I am sure—he has been at these meetings before—that my department also arranges product development clinics across the province, and I am sure the member will be interested in the fact that Canadian Car and Foundry attended such a product development clinic which was in Thunder Bay—I think he knows about that—in September, 1970. It is for this purpose that these clinics are held. Of course he also knows this department has an officer in Thunder Bay now and he will be in close contact at all times with—

**Mr. Peacock:** Then as a result of the attendances of a firm like Canadian Car and Foundry and other Canadian firms engaged in producing transportation equipment, what assessment has the branch made of the capacity of the industry in Ontario to meet the needs for new equipment, new designs,



signalization, and so on, that will obviously be on the shipping list of Metropolitan Toronto, Hamilton, Ottawa, perhaps London, and so on, when they go to study the kind of transportation system they can get qualifying grants for under the new Public Transportation Highway Improvement Act that is before the House now?

I simply want to know what the minister's department has done by way of assessment of that capacity, by way of advice to the industry in this province to start gearing now, rather than what they are doing overseas to seek equipment there.

**Hon. Mr. Grossman:** I will let Mr. York answer that.

**Mr. York:** Well, Mr. Chairman, I think as the minister has indicated, first they are looking at many, many modes of transportation. Our officers are in touch not only with Canadian Car but also with National Car.

As a matter of fact, we worked with National Car on a project for North American railway passenger cars. We lost the job, but there is a fantastic amount of know-how and hopefully this type of new technology can be adapted to whatever mode of transportation is selected for Metro and others. Yes, we are in touch with them, but obviously if it is going to be air cushion, a new type of technology in manufacturing process is a must.

But they do have the capacity and the ability and the desire to change into whatever mode of transportation is destined for Ontario, Canada or the future.

**Mr. Peacock:** Yes, well, whatever is destined—

**Mr. York:** To answer your question, we are in touch and have been with both National Car and Thunder Bay. Our man is there and he makes periodic calls every month on them.

There is a constant interchange and as soon as anything specific comes out, where we can zero in—because we want the biggest and the best transportation system that will meet the needs of the Ontario people in the future—then we can zero in and answer your question much more specifically; but, yes, they do have the capacity.

**Mr. Peacock:** Right. Now in respect to the STOL aircraft development line by de Havilland. What is the branch doing there to—

**Hon. Mr. Grossman:** Well we are in constant touch with de Havilland, as I mentioned

in the House two or three weeks ago. As a matter of fact there is going to be a meeting coming up later this week if I am through with my estimates. De Havilland has asked for the meeting and we are going to be meeting with them. Certainly, as of the last time when we discussed this matter with them they felt we would be better at that stage staying out of the picture because their arrangements with the federal government were such that they felt satisfied that there was no danger of them being closed up or anything of that nature. I think that is all I can tell you.

**Mr. Peacock:** Then your talks were in relation to affording financial assistance rather than—

**Hon. Mr. Grossman:** It was in relation to the fear that they were going to lay off a lot of people. We do not walk in with a bag full of money to begin with. That is the last thing we want to talk about because everyone is prepared to accept money. There is no necessity in some instances of offering money. Quite often our advisory services and know-how of our staff can help them.

In this case there was no talk of getting financial assistance from Ontario at all. I recall the discussion. They satisfied us as I say that there was no fear of them closing down, that their arrangements with the federal government were proceeding smoothly and they thought that at that stage it would be better if we merely stood aside, which is what we did.

Now they are wanting to meet with us and what it is about at this stage, I cannot tell you.

**Mr. Peacock:** Mr. Chairman, could I just briefly ask the minister some questions about another industry that is in somewhat difficult shape? Since his appointment I have been corresponding about the state of the forging industry in the province. I want to know how far along is the study, which the minister wrote to me about, in relation to the condition of the forging industry—and particularly in respect of the impact of the Canada-U.S. automotive trade agreement on the industry in Ontario.

**Hon. Mr. Grossman:** I will give that to Mr. Cooper here from research in a moment. Perhaps you might proceed with another question while I get it, Mr. Chairman.

**Mr. Chairman:** We can maybe come back to that. Mr. Martel had a question and we will come to Mr. Peacock.

**Mr. Martel:** Mr. Minister—

**Mr. Peacock:** Excuse me, perhaps Mr. Cooper—

**Hon. Mr. Grossman:** All right. Mr. Cooper from our research branch.

**Mr. R. T. Cooper (Trade and Industry):** Can you hear me?

**Mr. Peacock:** Yes.

**Mr. Cooper:** I do not have with me the specific material that we did in working on that, but several weeks ago members from the Windsor council I think came in—

**Mr. Peacock:** Local 195, UAW.

**Mr. Cooper:** Yes, the UAW, came in and spoke to us on this subject. At that time they were fairly satisfied that we had covered as much as we could on the subject of this industry.

The forging industry as you know is in very difficult straits at this time. What we had done when we had studied the forging industry was to see whether there could be an opportunity for various small companies to get together and not circumvent the new anti-combines legislation in Ottawa. That is about as far as we have gone right now.

We have made a few suggestions. As far as this company in Windsor was concerned there was not much more that we could do at that time. I believe their problem was one of sending castings across to the United States and at that time it was blocked by US officials as not coming within the automotive free trade agreement. I believe that was since rescinded.

**Mr. Peacock:** That has been cleared up since.

**Mr. Cooper:** That is right, and as far as that company was concerned that particular problem was removed.

Now, there was also the problem of losing a contract with Chrysler Motor Company at that time. We attempted, through our licensing agreement programme, to suggest other products that they could perhaps turn their attention to, and at that time we had a clinic in Windsor, I think the following two days, and this company was invited to this clinic. Now, I am afraid I do not know what the follow-up was on the particular clinic, but the UAW members at that time felt that we had done as well as we could

and that they were on a trip to Ottawa as well.

**Mr. Chairman:** Mr. Martel.

**Mr. Martel:** I discussed with your predecessor last year what research was going on by the department in an effort to develop manufacturing in northern Ontario related to the natural resources which exist, but I do not think there is much chance of going any further before the vote, Mr. Chairman. That is a vote on the university bill.

**Mr. Chairman:** Inasmuch as there is a division in the House, shall we adjourn the committee until after the vote?

The committee reconvened at 9:32 o'clock, p.m.

**Mr. Chairman:** Any further discussion on section 1 of vote 2202? Carried.

I thought the minister from Sudbury had asked the question and it had been answered.

**Mr. Martel:** The minister from Sudbury?

**Mr. Chairman:** The member, I am sorry.

**Mr. Martel:** It is a little premature, but I fully anticipate it.

**Mr. Chairman:** Would the member continue then.

**Mr. Martel:** Thank you, Mr. Chairman. I started to make the point and requested of the minister information with respect to what type of investigation or research was going on which could ultimately lead to the development of manufacturing related to the primary resources which are in abundance in northern Ontario.

I raised the matter last year and suggested that we had to do like some of the other countries, smaller countries, in that we are doing it on a provincial basis, to specialize in certain fields—such as the Swiss have specialized in watches, the Danes have specialized in agriculture, and so on.

We in northern Ontario feel the government should be doing the research which would lead us to specialize in some fields where we could proceed and capture a world market, because without that world market, of course, secondary industry would not be possible.

But you know the problems of northern Ontario are so great that if we do not start to move into this field, we end up with what has happened in northern Ontario—



the various social problems which develop with respect to a continued decline in growth as opposed to the provincial average of over 50 per cent difference in the provincial average.

The social problems—what do you do with people who can no longer, as a result of injury or sickness, go back into the two or three types of jobs which are available in the mining or forest industries? So that you have people that no matter what you do, even if you have to retrain, you have got nothing to retrain them for.

And then we come to the crunch, of course, the government's own study which has been adopted in principle by the cabinet, the Toronto-centred region plan, which calls for a continuation of drawing the natural resources of northern Ontario out of northern Ontario into that new belt from Peterborough I guess over to Kitchener.

And what it leaves, if that is the government's intention, of course, is almost the colonial-type economy continuing for northern Ontario, the extractive industries and nothing else. And I would like to know how the government co-ordinates these plans as well.

So, I will just put all that together. I want to know what research has been done for secondary industry related to the primary resources, and how the Toronto-centred region plan, and what it calls for, is co-ordinated with the two northern plans—northeastern and northwestern Ontario—because the Toronto-centred region plan calls for the continued exploitation and taking out of the raw materials to be brought to southern Ontario, and to the United States.

Hon. Mr. Grossman: Do you want all that tonight?

Mr. Martel: Yes, yes, very much so.

Mr. Makarchuk: We are here for the summer.

Mr. Martel: You did not want to come back before March 31.

Hon. Mr. Grossman: No, I just wanted to know whether you wanted to spread it out for a few days.

Mr. Martel: Well, take as long as you want.

Hon. Mr. Grossman: Well, first there is a study—

Mr. Makarchuk: We want to know how you are going to create jobs and we are willing to stay and find out.

Hon. Mr. Grossman: There is a study which has been made on non-ferrous metals and the processing beyond the primary stage. A study done by a firm—Hodge & Wong, is it?

Mr. York: Yes.

Hon. Mr. Grossman: This study has been favourably received and recommendations have been made to the major producers, International Nickel and Falconbridge. As you know, we have opened up now a joint office in Thunder Bay and Timmins with ODC and trade and industry. This is designed to inventory all production facilities and store those products which are consumed in the area in the hope that such products can be produced in the area.

There was a special trade mission, products sales mission, in May from northwestern Ontario to Minneapolis and Chicago. This mission was led by the hon. Mr. Bernier, who was to have gone along with me. I was not able to go at that time. He went along and I understand from the reports that it was a very favourably received mission and we expect some fairly good results from it.

There is a project sponsored by Algoma Central Railway of Sault Ste. Marie, and the objectives of the project are to evaluate the quality of a silica, sand and kaolin deposit. I presume you know what that is—kaolin deposit—found near Hearst, Ontario, for use by glass and ceramic industries.

At present all the kaolin and clay used by paper, rubber and ceramic industries in Canada is imported. Also, a major portion of the silica and sand used by glass and foundry industries is imported. Technical quality evaluations are complete, and the materials are found to meet most of the requirements.

At present, transportation, marketing aspects, et cetera, are being studied by the company with a view to developing the Hearst deposits. There are others here, but I think this gives you a fairly good example of the kind of work that is being done.

Mr. Martel: Well, yes, Mr. Minister. I am primarily concerned with the vast resources of the nickel and copper industries. For example, has any headway been made with respect to the development of copper tubing or copper wiring, or related nickel products from the nickel industry?



I think, you know, if we are going to concentrate and develop a major, secondary industry in northern Ontario, it has to be related to these large deposits.

When you consider that we produce about 50 per cent of the world's nickel, and none of it is turned into a byproduct of any description in northern Ontario, and not that much in southern Ontario, it just seems to me that this is where we have got to start to zero in on these large deposits of nickel, copper, and even some of the precious metals.

But it is just obvious to me that we have to try to select certain areas wherein we can capture world markets. You could produce copper tubing from now until doomsday, and if you do not have a market you are not going to sell it.

You know, the small secondary industry, the very small one, is not going to do much to keep young people in northern Ontario because most of them have to come to southern Ontario even to find employment. The drain of young people is much greater than anywhere else in Ontario.

You can take any figure you want using your own studies, the "Design for Development: Northeastern and Northwestern Ontario," and each one of them is filled with the same data—that the welfare rates per capita are higher, the unemployment is higher, the housing is poorer—you go right down the list. You have been in 28 years and you brag about what you have done.

**Hon. Mr. Grossman:** I have not.

**Mr. Martel:** I suggest, Mr. Minister, that in the line of secondary industry from northern Ontario you have done nothing; you have not even scratched the surface.

**Hon. Mr. Grossman:** We have only been in since March 1.

**Mr. Martel:** Oh, do not give me the new wave baloney. This government has been in power for 28 years.

**Hon. Mr. Grossman:** I have not been in 28 years either. I have been at it quite a while but—

**Mr. B. Gilbertson (Algoma):** Tell them about the good houses in Sudbury.

**Mr. Martel:** Oh it only seems like it I guess.

**Mr. Makarchuk:** No matter how you slice it, it is the same old baloney year after year.

**Hon. Mr. Grossman:** That is what I thought but I was too kind to say that to you people.

**Mr. Martel:** Where do you get this from?

**Hon. Mr. Grossman:** From you, saying I have been in for 28 years.

**Mr. Martel:** Will you tell him about the 3,700 families that Ontario Housing has on the waiting list in Sudbury alone?

**Hon. Mr. Grossman:** Remind me to tell you about that later.

**Mr. Martel:** That will shut him up for a while, he will think about it.

**Hon. Mr. Grossman:** I do not want to shut him up, he always speaks eminently good sense.

**Mr. Gilbertson:** You are harping on the same old thing. It really is open there the same as the—

**Mr. Martel:** He has got a town that is dead in Blind River. No one has told him yet.

**Mr. Carruthers:** What would you suggest?

**Mr. Martel:** I have been suggesting what you should be doing, if you were listening.

**Mr. Carruthers:** I was listening very carefully, you did not become specific.

**Mr. Martel:** I am suggesting that we have to—

**Hon. Mr. Grossman:** I would take it for granted that this would be part of the next stage as a result of the studies which have been made.

**Mr. Martel:** How can it be when your Toronto-centred region on the fourth page, calls for the bringing of the natural resources out of Northern Ontario to the Toronto-centred region in places in the Great Lakes megalopolis? Now how does that happen?

**Hon. Mr. Grossman:** I will read that over again and I will give you an opinion.

**Mr. Martel:** But you are still not talking about related secondary industry. You are not even going to leave the natural resources in northern Ontario; you are going to bring them out. What the hell are you going to have left to turn into secondary industry?

**Mr. Chairman:** Mr. Martel, please. Mr. Jackson?

**Hon. Mr. Grossman:** My wife and daughter are here.

**Mr. Martel:** Oh, excuse me. I am very serious about this.

**Mr. Jackson:** I am interested in the study of the viability of a non-ferrous industry in northern Ontario which was done a few years ago.

**Mr. Chairman:** Mr. Jackson, would you repeat that again please?

**Mr. Jackson:** Mr. Chairman, the study of the viability of a non-ferrous industry in northern Ontario was completed some two years ago, it is my understanding. What action has been taken by the government to follow through with the recommendations out of that study?

**Hon. Mr. Grossman:** It was completed about a year ago.

**Mr. Jackson:** I have had it in my possession over a year.

**Hon. Mr. Grossman:** Well, how long over a year?

**Mr. Jackson:** Well, if only a year, what action has the government taken to follow up on the recommendations and the studies that were done by these two gentlemen? They suggested that a non-ferrous industry was a viable industry for northern Ontario and yet we see no action.

Another situation that arises is the Onakawana lignite. It is my understanding that they took out 1,000 tons of lignite to the Thunder Bay generating station for assessment. What action has been taken on that?

**Hon. Mr. Grossman:** I will get an up-to-date report for the hon. member.

**Mr. Jackson:** Now it is going into the hands of a company that is going to exploit it.

**Hon. Mr. Grossman:** I will get an up-to-date report for the hon. member.

**Mr. Chairman:** Section 1 carried?

**Mr. Makarchuk:** Hold it, Mr. Chairman.

**Mr. Martel:** So you really have not got anything in line or any prospects for developing secondary industry in northern Ontario?

**Hon. Mr. Grossman:** I did not say that. I said I would get an up-to-date report.

**Mr. Martel:** No, but it becomes very obvious, Mr. Minister, that there is really not much potential there, is there?

**Hon. Mr. Grossman:** It becomes obvious that at this moment I do not have the information at my fingertips, that is all.

**Mr. Chairman:** Mr. Good.

**Mr. E. R. Good:** (Waterloo North): I would like to ask the minister, Mr. Chairman, to elaborate further, if he would, on the questions brought up by the member for Timiskaming on the matter of the lignite deposits.

I have been having correspondence with CPR, their trains division and their coal division, and they have been working frantically to get Hydro interested in what they have developed, which is a cheap and effective way of moving coal. They have had tremendous success with it from Saskatchewan and Alberta to the west coast for transshipment to Japan, through the development of new types of lightweight coal cars, continuous training and continuous dumping and all of this, and they would very much like to interest Ontario Hydro in this.

For years everybody has been asking why Ontario Hydro has to spend \$100 million a year in the United States buying coal from Pennsylvania when there is all this Canadian coal. The answer has always been it is not the type of coal we use. Cominco, the company linked with CPR on the development of the coal, and the transportation end of CPR on the development of the shipment of the coal, are firmly convinced that there is coal available in northern Ontario, Saskatchewan and Alberta which could be used by Hydro.

Now, with the breakthrough in the reduction of the cost of shipping coal, I am wondering if The Department of Trade and Development has had any dealings with CPR on this project. It is experimental as far as they are concerned, but they have great faith in this product which could revolutionize and save us \$100 million a year in foreign exchange that is now going to the States; in fact it is so great that the last loan made by Ontario Hydro in the State of New York, the whole amount of \$100 million was spent in the United States and not one nickel of the borrowed money came back to Ontario.

Has Trade and Development had any dealings with CPR or Cominco on what is really a revolutionary method of moving coal?



**Hon. Mr. Grossman:** No, I understand not.

**Mr. Good:** None? Well, let us look on it.

**Hon. Mr. Grossman:** I will look into that, Mr. Chairman.

**Mr. Jackson:** Mr. Chairman, just one more question. The Department of Mines and Northern Affairs has told us that Alberta Coal now has the rights to the Onakawana lignite deposits, and that the company has negotiated with Hydro. Is this department not involved in those negotiations?

**Hon. Mr. Grossman:** That is probably the answer; the hon. member has pointed out that another department of government has been handling it.

**Mr. Jackson:** They say that Alberta Coal has attempted to negotiate but they did not say they were involved in those negotiations. I am asking you, is your department involved in those negotiations and if not, why not?

**Hon. Mr. Grossman:** Mr. Chairman, Mr. Butters from the Economic Council is here. I understand he is familiar with the matter of the lignite. Could I ask him to come forward and give the hon. members the information that he has available? Mr. Butters is the secretary of the Economic Council. Go ahead, Mr. Butters.

**Mr. J. Butters (Ontario Economic Council):** Well, I just want to know what specific questions they might want answered, Mr. Minister.

**Hon. Mr. Grossman:** Well, the question of the lignite. Who raised that, Mr. Chairman?

**Mr. Jackson:** Well, two of us raised the question. What is your department doing to further negotiations between Alberta Coal and the Ontario Hydro? And the question by Mr. Good, what is your department doing to further negotiations between Cominco, I believe it is—

**Mr. Good:** And CPR.

**Mr. Jackson:** And CPR. Can you give us some information on those problems, Mr. Butters.

**Mr. Butters:** Well, just as recently as June 3 to 5, a group went up to the Onakawana lignite deposit. It included three senior members of Alberta Coal Limited, two members from Shawinigan Engineering who are doing the engineering studies, one member from Hydro, the hon. Yeo Bernier and the hon. Rene Brunelle, and Mr. Roy Thompson, in-

dustrial commissioner of the ONR and myself. At that time, Hydro made a tentative offer to Alberta Coal on a power price, the proposition being that a 600- to 900-megawatt power plant would be built at Onakawana on site. Alberta Coal has concluded the most efficient and economical way to use the lignite is to generate power on-site and bring it down by powerline. This would involve some \$200 million in costs. At this point, Alberta Coal and Hydro are negotiating on a price and if a mutually satisfactory price can be struck, the deal will go through.

**Mr. Jackson:** Well, Mr. Chairman, maybe the minister can tell my why, since the deposit has been known for many years, the Ontario government did not develop it for Hydro long before this, instead of bringing in a middleman now that is going to raise the price to the people of this province by several hundreds of million dollars over the period of time that the deposit will last. Why are we paying a premium for someone else to develop something we knew about? Can you answer that, Mr. Butters?

**Mr. Butters:** It is purely a matter of costs. The cost of power generated from the lignite has not become economically viable until the present time. The cost of coal in the US, for instance, for our thermal plants—I stand to be corrected on this—in the past year has increased by 50 per cent. Cost of natural gas is increasing. As a matter of fact, you cannot get a long-term fixed-price contract out of any of the western producers because of the imminent escalation in natural gas prices.

It now makes the lignite very attractive. It had never been before, because it is only 5,000 Btu per pound, vis-à-vis 10,000 to 14,000 for Pennsylvania or Nova Scotia coal, and it has a high moisture content. It has two benefits, I must admit. One, it has a low ash content, and two, it has a low sulphur content.

**Mr. Jackson:** Just one more question before I finish. In view of the fact that it has to be burned on-site to be economically sound business, why is Hydro not thinking of building the plant and purchasing the coal, paying only for the coal? Why is Hydro not thinking of building the plant, rather than let Alberta Coal build the plant and sell the electricity?

**Mr. Butters:** Well, I cannot answer for Hydro, Mr. Minister, but they are not involved in mining and never have been. Alberta Coal is mining the lignite deposits



in Saskatchewan at Estevan, and also the Wabamun deposits, which are lignite, 45 miles west of Edmonton, for Alberta Light and Power or Calgary Light and Power. It is a matter of knowhow here.

Alberta Coal approached the Ontario government to take out a licence in October, 1966, and the agreement was reached in December that year and a public announcement was made at that time. Hydro, of course, was not interested at that particular stage, I would judge, because of the costs. It is only within the past 18 months that this has really become an economically viable proposition.

Mr. Jackson: Mr. Chairman, I do not think Mr. Butters has understood my question. Why is Hydro now thinking of purchasing power from Alberta Coal rather than developing the power plant itself and buying the coal from Alberta Coal? Ontario Hydro surely has the knowledge for establishing a plant, where Alberta Coal is going to spend a lot of money on engineering and getting the knowhow and expertise that Ontario Hydro already has. I can understand Alberta Coal doing the mining, but I cannot understand them building the plant.

Mr. Butters: This is a matter of negotiation, too. I may not have put it quite clearly. Alberta Coal is prepared to put up the \$200 million for a power plant, but, of course, they would prefer if Hydro would do it and they bring the lignite to the furnace mouth.

Mr. Chairman: Mr. Martel.

Mr. Martel: Mr. Chairman, you mentioned the price of gas, and so on, in the United States had gone up considerably, thus driving up the prices. This brings us back, then, to the point we raised in the mining estimates. What type of vigorous representation did you make to the federal government prior to the sale of six trillion cubic feet of natural gas to the United States, because the ultimate result was known beforehand that, because the price was being driven up in the United States, because of the shortage there, we would suffer the consequence in Canada. We are now starting to feel it already.

Hon. Mr. Grossman: Did you get an answer to that question when you asked?

Mr. Martel: No; there are no answers. With the new ripple, everyone has moved over one seat to the right and no one knows the answers.

Hon. Mr. Grossman: We will get the answer for you. Have you anything to add to that, Mr. Butters?

Mr. Butters: No.

Hon. Mr. Grossman: We will get the answer for you.

Mr. Martel: Fine. I want to ask one final question. I wanted to know, and I asked it, but you did not answer, how the various government plans for development are co-ordinated to ensure that there is the best possible development. I relate the three plans that I talked about, the Toronto-centred region and its apparent superseding of the two plans for northeastern and northwestern Ontario. How do you relate these plans or co-ordinate them?

Hon. Mr. Grossman: There is a regional development committee which was set up and has been in existence now for a number of years. We have members from our branch, representatives from our department, from Treasury, from Municipal Affairs and from Energy and Resources Management. They are co-ordinated at regular meetings held by that committee.

Mr. Martel: That brings me back, then, to the question I raised about the Toronto-centred region. How did cabinet—and I am sure you will not give away any cabinet secrets—accept in principle a plan which destroyed both the northeastern and the northwestern plans for economic development?

Hon. Mr. Grossman: I would have to say to you that I do not necessarily agree with your conclusions that it does that.

Mr. Martel: If you are going to continue to exploit natural resources from northern Ontario and bring them to the Toronto-centred region for development, what is left for northern Ontario?

Mr. E. W. Sopha (Sudbury): Tourism.

Mr. Martel: I am deadly serious about this.

Hon. Mr. Grossman: I am serious, too.

Mr. Martel: What does it leave for northern Ontario?

Hon. Mr. Grossman: I will read that over again and give the hon. member my views on it. It is some time since I read it.

Mr. Sopha: Read it over again! It has been referred to in the House eleveny-seven

times. It has been referred to that they say they are going to use the Toronto-centred region, that it is going to continue to be the industrial user of the natural resources produced in northern Ontario. That is what it says.

**Mr. Jackson:** Then they will continue to build the industry of southern Ontario with northern resources.

**Mr. Sopha:** Yes. So there is no hope or no destiny for us in northern Ontario. We are left without any purpose, goal, hope of achievement or means of keeping our youth there. It is a depressing picture for us. That is pronounced government policy. Surely you must be aware of that.

**Hon. Mr. Grossman:** I am aware of some of the implications and some of the different views as to what the implications are. I would say, before I give you an answer on the basis of your opinion and the opinion of the member for Sudbury, that I would like to reread that in the light of my short experience with this department, before I give an opinion.

**Mr. Chairman:** Section 1 carried?

**Mr. Martel:** Tomorrow then.

**Mr. Chairman:** The member for Windsor-Walkerville.

**Mr. B. Newman (Windsor-Walkerville):** Mr. Chairman, may I ask the minister does the department have an inventory of various underused plant capacities?

**Hon. Mr. Grossman:** Yes.

**Mr. B. Newman:** You do have it?

**Hon. Mr. Grossman:** Yes.

**Mr. B. Newman:** What are you doing concerning the capacities of some of the industries, such as the Ford Motor Company? They are taking out one of the engine plants—manufacturing the 351 engine I think it was—and it is being moved to the Cleveland plant. Are you in consultation at all with them in encouraging them to substitute something else that can keep their employees gainfully employed, or is that left entirely up to the Ford Motor Company themselves?

**Mr. Makarchuk:** They do have a lot more say in the province.

**Hon. Mr. Grossman:** I will ask Mr. Radford to comment on this, Mr. Chairman.

**Mr. N. R. Radford (Industrial Relations Branch):** Our investigation of this matter indicates that the only trouble with this 351 engine is that it is not acceptable on the California market because of pollution control. The company claim that they have had other production scheduled for the Windsor plant to take the place of these quantities and that this particular size of engine just is not selling in the quantities that it did previously. Therefore, it is a straight matter of what they are able to sell in automobiles that use this 351 engine. They categorically deny that they are moving anything out of Windsor into the Cleveland plant. As soon as the new emission control system which is now going through for the California market is perfected, it is anticipated that engine will be scheduled for the Windsor plant by 1974-1975.

**Hon. Mr. Grossman:** It seems to me I wrote you on that, did I not?

**Mr. B. Newman:** I beg your pardon?

**Hon. Mr. Grossman:** It seems to me I wrote you a letter on that.

**Mr. B. Newman:** No, I got one from the previous minister. I wanted to ask if the Ford Motor Company is in consultation with you people all the time when it makes these various changes?

**Mr. Radford:** I would not say all the time.

**Mr. B. Newman:** How often are they?

**Mr. Radford:** We get in touch with them periodically, two or three times a year, and try to be brought up to date on what they are doing.

**Mr. B. Newman:** Is that sufficient? It is very disquieting to the employees to hear via the grapevine that all of a sudden a certain job operation is going to be phased out or is going to be eliminated completely without any knowledge as to what is going to supplant it.

**Mr. Radford:** We brought this up about a month and a half ago. The union president and management meet every Friday afternoon for approximately two to three hours. The story we are getting back is that each party is only listening to what it wants to hear from the other side. The unfortunate part is that I think some of the rumours could be eliminated if the two people were a little closer together.



It is one of those situations where we cannot force a company into doing what we think they should be doing at this stage of the game. They are very helpful to us in trying to find new work for the employers and so on. They claim that the only people who are laid off, except on a temporary basis, are the people who are being retired and they are not replacing the retired people as they were doing before.

In their previous arrangement, they did all of their maintenance work with the union employees during the plant shutdown and so on. This year, for the first time, they have brought in outside help to do that type of maintenance. This is another complaint that the union has. They did not appreciate the fact that their people were not kept on during the shutdown and up to it. We hope that the company will take our suggestion that they go back to the previous arrangement, but we have not any guarantee that they will.

**Mr. B. Newman:** May I ask at this time, too, Mr. Chairman, of the gentleman replying—

**Hon. Mr. Grossman:** Mr. Radford.

**Mr. B. Newman:** Mr. Radford. What do you hear concerning the possible phase out of the foundry at the Ford Motor Company plant in Windsor? And the transferring of the operations to Flat Rock, Michigan?

**Mr. Radford:** The company, again, are denying this. In their statements to us they claim that there is no truth to this rumour and that the new blocks, and so on, when they come in, will be done in the Windsor plant. Ford added something in the neighbourhood of 1,000 to 1,500 employees I think in the last 18 months into that plant so I do not think that there really is any long-range plan for a phase-out.

**Mr. B. Newman:** So it would be fairly certain, as far as your department is concerned, that there will be no phase-out of the foundry operation?

**Mr. Radford:** Not as far as we can find out, and we feel that the company is being truthful with us.

**Mr. B. Newman:** How long in advance do they inform you as to their operations? Or do they inform you at all?

**Mr. Radford:** Under the new legislation of The Department of Labour, when they have to lay off people, they must give eight weeks'

notice to those people. This is extremely difficult in the automotive business, as I am sure you can appreciate. Because if the cars are not bought, they just cannot stockpile them indefinitely, especially at this time of the year or they would carry a great overload of the 1971 model into the 1972 year, which they do not want to do.

**Mr. B. Newman:** Have they informed you of their potential operations for 1972? Their new car year?

**Mr. Radford:** They have informed us that the people that are laid off now—and, I should caution you, not the retirees—will be back to full strength by November or December of this year.

**Mr. B. Newman:** Right. May I ask of the minister then, Mr. Chairman—

**Hon. Mr. Grossman:** Thank you, Mr. Radford.

**Mr. B. Newman:** —if in his annual report he lists a whole series of plant expansions. Is the addition of a lock to a door considered a plant expansion? I noticed one in here—Dominion Forge Company, Windsor. There was certainly no plant expansion, if you look at the number of employees you have there this year in comparison to what you had last year. There is a decrease of employment there.

**Mr. Radford:** The plant expansions that we put into the annual review—may I answer this, Mr. Minister? I am sorry.

**Hon. Mr. Grossman:** Please go ahead.

**Mr. Radford:** These are the result of information provided to us by the industrial commissioner of the area. We do not send a team out to check every plant expansion as we do with each new establishment that is in the annual review.

In the new establishments, every one of those places is checked out physically by one of our staff. The plant expansions are not, therefore you may be more knowledgeable on this subject than we are.

**Mr. B. Newman:** Do you not think on plant expansions you really should include the manpower expansions? A physical expansion really does not matter too much to the community. It may provide a few jobs, construction-wise, but once the construction is over, it could actually mean a curtailment in the number of job operations. At Dominion



Forge there was a curtailment. Mind you, it may have been as a result of the federal policy, with the auto trade agreement, but when that was all settled they still did not take back the same staff they had prior to the layoff.

**Mr. Radford:** The report form we have indicates if there were additional staff to the new operation. In some instances the staff can be reduced, as you know, by an upgrading of the production facilities and the investment of a considerable amount of money to cut down on the labour content. We have not any record of having checked out each individual case.

**Mr. B. Newman:** When a plant does come in for some substantial plant expansions, do you ask them whether there is going to be a curtailment of manpower or not?

**Mr. Radford:** No, sir.

**Mr. B. Newman:** Should you not know on a plant expansion when it is a modernization which is eventually to employ fewer men rather than more?

**Hon. Mr. Grossman:** Do you have a copy of the form?

**Mr. Radford:** Not here, sir.

**Hon. Mr. Grossman:** Presumably you ask if there are going to be any job additions?

**Mr. Radford:** Yes, sir.

**Hon. Mr. Grossman:** But you do not have to ask if there are going to be any reductions?

**Mr. Radford:** No, sir.

**Hon. Mr. Grossman:** I think that would be a good idea.

**Mr. Radford:** It would be.

**Hon. Mr. Grossman:** A good idea; we will accept that.

**Mr. B. Newman:** I would like to ask one other question, Mr. Chairman. Back about three or four years ago, I asked the previous minister to undertake a study of the economic impact of wage parity. Did the department undertake that any time?

Should the department or some branch of the department not have undertaken to

find out whether some of the loss of jobs is as a result of wage parity?

**Hon. Mr. Grossman:** Do you feel that would serve a useful purpose? There is no use making work just to work, I am seriously asking you.

**Mr. B. Newman:** Yes, I think that they should know the economic impact of any drastic change like that. I think it should be knowledge.

**Mr. Good:** Well if an international union is pressing for wage parity in Canada simply to make that job available in the States instead of here, on equal wage, I would say it is the business of this department to find out if in fact that is the reason for the pushing of wage parity. This is perhaps one of the basic purposes of wage parity—

**Mr. Jackson:** Mr. Chairman, is Mr. Good suggesting that the unions do that?

**Mr. R. F. Ruston (Essex-Kent):** American unions do that.

**Mr. Good:** I say if it is, certainly you—

**Mr. Jackson:** Can you give an instance?

Interjections by hon. members.

**Mr. Good:** I would say it is certainly worth studying by the department to see if that is one of the tools used by an international union—

**Hon. Mr. Grossman:** Are you saying we should not study it?

Interjections by hon. members.

**Mr. Chairman:** Members of the committee—

**Hon. Mr. Grossman:** What other way is there of finding out, I wonder if the hon. member can tell me, without studying?

**Mr. Good:** On the other hand, maybe the only reason for an international union pushing wage parity in Canada is simply so that they can say: "Look at those bush-leaguers up in Canada making as much as you are down here, we had better get more here, you see." So which is the reason?

Interjections by hon. members.

**Mr. Chairman:** Order, please.

**Mr. B. Newman:** Mr. Chairman, just one other question.

**Hon. Mr. Grossman:** First, perhaps I could answer that and say that I do not think it is—

Interjections by hon. members.

**Mr. Chairman:** Order, please.

**Hon. Mr. Grossman:** —I do not think it should be passed over. We will find out if there is, in fact, such a study in existence, such a report in existence.

**Mr. Sargent:** You would not know?

**Hon. Mr. Grossman:** No, I would not know. We will find out if, in our view, there is any value to doing such a study and whether it is worthwhile doing on the basis that there is some value in it. We will take it into consideration.

**Mr. B. Newman:** There is one other plant in the community that has had a substantial drop in employment and that was the Hawker Siddeley plant. They have closed up one of the branches of the plant, one area in the plant, and there is a substantial number of employees who did not return, or recently had been laid off. Has the department ever looked into the possible use of the plant capacity there to a greater degree than it is being used now as a result of the layoffs? That is, Dominion Bridge, Canadian Bridge, Hawker Siddeley.

**Mr. E. Sargent (Grey-Bruce):** Can you not answer it at all, Mr. Minister?

**Mr. Chairman:** Order!

**Hon. Mr. Grossman:** I know some answers. I do not know them all. I know the hon. member does, but I do not know all the answers.

**Mr. Sargent:** What are you getting paid for?

**Mr. Chairman:** Order!

**Hon. Mr. Grossman:** I know most of the answers.

**Mr. Chairman:** Order!

**Mr. Sargent:** All right, Mr. Chairman. Have you got a cigar there?

**Hon. Mr. Grossman:** I am going to ask Mr. Radford to comment.

**Mr. Radford:** There were 70 employees laid off April 23 and another 150 were laid off on March 16, and there will possibly be another 70 at a later date. The firm has been able to get some defence contracts in Detroit and once again the bargaining agent is Local 195 of the UAW, I understand.

Now, we admit in this case that there is some difficulty with the manager of the operation in trying to get him to work closely with the Dominion government's Canadian Manpower Services in order to set up a team that will try and locate jobs for these people in the area.

Do you understand how that team operates? They hire, usually, a man that knows the area quite well and he goes out and tries to place the people. I must admit that neither the federal government nor ourselves have been as successful as we would like to be in this instance of getting together the union, the company and the team that will find the employment for the people that are laid off in this instance.

**Mr. B. Newman:** Some of the men who have been laid off tell me that they have had as much as 20 years' seniority with no hope of ever getting back in. It is quite a drastic step for an individual to find himself in a position like that in his later years in life knowing that he may have to lead a life of unemployment from now until he qualifies for old age security, if and when he does qualify. And some of these people have no pension benefits. So it is extremely serious for those that are being laid off or have been laid off at Hawker Siddeley. I know they come to my home quite often and are extremely concerned.

**Hon. Mr. Grossman:** Well, Mr. Chairman, I can assure the hon. member that we are just as much concerned as he is, of course. But, as Mr. Radford has admitted that, the two governments have found it impossible to get these people together to accomplish anything of a positive nature. If the hon. member has anything to suggest by way of a solution to this, we would be very pleased to hear further from him.

**Mr. Makarchuk:** Convey the sentiments, perhaps, of—

**Mr. B. Newman:** I appreciate the remarks from Mr. Radford, Mr. Chairman, and I only

hope that the department can come along and alleviate the situation a bit, especially in the two plants that I have mentioned. It is reassuring to know that at least the Ford Motor Company will have some type of operation in their Windsor plant replacing their previous motor that they did manufacture, and also that the foundry will continue operation and not be transferred to Flat Rock, even though a lot of the employees in there still insist that once the Flat Rock operation is really under way the jobs are still going to leave the area. Mind you, those that are bothered with pollution, naturally, will smile at that.

**Hon. Mr. Grossman:** I suppose it is a natural fear they should have, particularly in view of some things that have happened in the past. I can assure the hon. member we will make certain that we keep on top of this and do whatever we can.

**Mr. B. Newman:** Right. Thank you, Mr. Chairman.

**Mr. Chairman:** The member for Scarborough West.

**Mr. S. Lewis (Scarborough West):** A very short question, Mr. Chairman. First, in relation to the problem with local 200 in the Ford plant in Windsor, on what basis do you give substance to the Ford Company's assertion that the move to the Cleveland plant is because of the difficulty in selling the engine to California, and that they will have an equal number of jobs for November and December, and that they are only reducing their plant complement in terms of attrition and not in terms of absolute numbers by laying off people in addition to attrition. How do you come to a measured assessment of whether or not what the company is giving you is valid? I am sorry, I was asking Mr. Radford; I was just interested in the mechanics of it.

**Mr. Radford:** There are certain companies that we have worked with over the past that have been very straight-forward with us, and the Ford Motor Company is one of them. When they phased out all the purchasing in Oakville, they made no bones about it and told us the facts when we went to them. Until we find that they are giving us a line—if that is what you are intimating—we have to take them on face value, I am afraid.

**Mr. Lewis:** So it is on face value?

**Mr. Radford:** Yes, sir.

**Mr. Lewis:** And the Ford Company, as exemplary as it is, has promised on a number of occasions never again to employ men on extended overtime permits when they have laid off large numbers. But they have done it consistently and are doing it now in Talbotville much to the distress of the work force and, I think, the Minister of Labour (Mr. Carton). They, too, have their momentary aberrations as a company. I take it you just ask them for their explanation, they give you their explanation and you convey that to the union and that is that. There is not much more you feel you can do beyond that?

**Mr. Radford:** Oh, on the contrary, we go to the union and get their side of it, too, as much as we can, and try to relate back to the union the facts that are not coming across in their weekly meetings. In some instances we have been extremely fortunate in the relationships that we have developed between some companies and their unions. De Havilland is a good example of that, about a year ago.

I think in this case we have put both stories together. It is like the old navy game. The rumours that fly around when something is going to fold up, or about the people who are going to be affected, are always blown out of context and blown up to a point because they are emotionally involved. We try to calm them down to some extent in the hope that the company is being forthright with us.

**Mr. Lewis:** The rumours at the moment are given some substance at the Ford plant in Windsor by the fact that the Minister of Labour indicated that 68 to 70 plants are in the process of closing down or laying off large numbers of women and men at this time; that 75 per cent of them are branch plants in Ontario; that they involve at least 3,200 people in the work force who will be permanently unemployed. In that context, inflated rumours one can perhaps understand a little better.

What does your department do, Mr. Minister, when faced with, say, major layoff operations of the kind now besetting the 70 plants in Ontario? What procedure do you have by way of relocating the men involved, or of getting the company to assist you in relocation? What is the formula?

**Hon. Mr. Grossman:** Our people do everything possible to get as much information



as possible as soon as possible. And in most instances where it appears possibly feasible—if I may use that phrase—they do what they can to encourage the plant or the company to phase into some other kind of operation; and in our various divisions of the branch we do what we can to bring in other product manufacturing. We try to arrange with outside people—perhaps even outside that community—who may be interested in having a place where they can have some of their products manufactured, we do everything possible.

And where there are other locations, where some of the employees may be, through our work, through our connections with the other operations across the province, feel that these people could be employed there, make contact with those people in order to see whether in fact they can be used in other plants. Of course, The Department of Labour does what it can in this respect too, but the question you have asked—is there something I have left out here?

**Mr. York:** No, but just as an addendum, a team of three people go in, comprising our department, The Department of Labour, and Manpower. And as far as our department, we look at the operation, if there is any way in which we, who have hundreds of cases of products which can be licensed from abroad, can expand the capacity, can bring in subcontract work, can assist that company to increase their exports. While we are doing that, The Department of Labour is looking at the layoffs or whatever else is before the books, and the Manpower people are simultaneously looking—if this does transpire—at what can be done to facilitate the transition of these people into other areas. So a team of three does go into each one of these plants.

**Mr. Lewis:** I have a question: Can you give the committee, if not verbally then in writing, a breakdown of what you are doing in the case of the 70 plant shutdowns presently under way?

I assume that since there has been formal notification under the notice provisions for termination of employment to The Department of Labour that there will be similar notifications to your branch, and that you are therefore involved in all 70 shutdowns? They are all industrial shutdowns, or they are at least all in the secondary manufacturing sector. I do not think any of them are primary.

**Mr. York:** We will get that information.

**Mr. Lewis:** Can you do that for the committee?

**Mr. York:** Yes.

**Mr. Lewis:** I would like to know—

**Hon. Mr. Grossman:** We will get that information.

**Mr. Lewis:** No, I appreciate you cannot do it by 10:30. I would like to know what it is that you anticipate for each of these shutdowns by way of employment?

**Hon. Mr. Grossman:** Do you want to add something to that, Mr. Radford?

**Mr. Radford:** Some of them are impossible to work with, such as the piano-key company in Brantford, because the company just arbitrarily decided to shut the plant down. And with the Mason and Risch plant here, they do not want another product, and the same thing applies to Eaton, Yale and Towne. We went there, and as the member for the area knows that was almost a complete assembly operation with the exception of a bit of cold-forming equipment. We tried to put licensing arrangements in there through Facilities Available, which is a publication we put out in the hope that other Canadian and Ontario manufacturers or foreign manufacturers will make use of that production facility, but we are not always successful in the negotiations with the company. It looks at a lot of things and then decides that is the way they are going to go.

In other areas, if the plant shuts down, we have a listing in our office of all the available plants in the province, the size, the bay shapes, the price that it will be sold at, so that we can try to attract other industries to it. Now, as you probably are aware, four or five years ago because of the automotive free trade agreement in the province every vacant plant was picked up just like that to have some production facilities in it. Today, due to the slowdown of the economy, etcetera, we have quite a number of plants available on the basis that I am explaining.

**Mr. Lewis:** I would have thought that remarkable incentive in the budget of rebates for machinery and equipment would fill every empty shell of a plant almost overnight.

**Hon. Mr. Grossman:** Give it a chance. Here is hoping it does work that way.

**Mr. Lewis:** I am surprised that is not the case. Well, let me come back to it. Those of us in our caucus consider Eaton, Yale and Towne an outrage.

**Mr. Radford:** I know you do, sir.

**Mr. Lewis:** I am not asking you for your opinion, Mr. Radford, but we consider it an outrage; we consider it an arbitrary shutdown based in headquarters elsewhere, and, again, a Canadian plant expendable, in the name of international rationalization. Eaton Automotive, as it is called, in London, should never have been closed, but as legislation now stands, no company has to provide economic justification or open its books or anything else.

However, this branch, this department, is at times very frustrated. I can remember the previous minister (Mr. Randall) was I think frustrated, for instance, in the case of working with CGE around some of the few problems, Dufferin tube plant and the Rexdale tube plant. I think that the former minister was quite legitimately frustrated while dealing with the companies in those cases.

What you have said about the piano incident is interesting. What you have said about Eaton Automotive is interesting. I would like to know where the branch stands on each of the 70—using the figures of the Minister of Labour—each of the 70 imminent, or presently occurring, shutdowns and serious layoffs in Ontario.

How many of them you have thrown up your hands in, because you understand they are arbitrarily decreed and there is nothing that the branch can do? How many of them do you think alternative employment could be found for and in what numbers? How many of them do you have under sort of active engagement around new product lines or other alternatives? I think that would be very helpful for us to get a feel of how the branch copes with the layoff and shutdown phenomenon.

Can I ask a—sorry?

**Mr. Chairman:** How long are you going to go on?

**Mr. Lewis:** I suspect until 10:29. May I ask an ancillary question? I wanted to ask about the Dufferin tube plant but I am more interested in something else, because it is rather

urgent. Have any plans been made yet for the minister to meet with Electro Metals, the subsidiary of Union Carbide in Welland<sup>2</sup> about its possible move to Beauharnois for importation of offshore goods under the pollution control edict served on it by The Department of Energy and Resources Management?

**Hon. Mr. Grossman:** What is the latest you have on that, Mr. Radford?

**Mr. Lewis:** Or the earliest?

**Hon. Mr. Grossman:** You will recall that that is a situation where there were some implications that if they were not given some assistance for anti-pollution equipment that they were going to move?

**Mr. Lewis:** The Minister of Energy and Resources Management (Mr. Kerr) said in the House that he wanted to take you and his colleague the Minister of Labour down to Welland to meet with the company officials. You indicated I think to me in the House that you would look into it.

On behalf of the constituents in Welland—I know they have their own member and I know he has written to the minister involved—I am very, very anxious, because this has enormous implications in public policy. It has enormous implications as to what happens when pollution control is introduced.

**Mr. Sargent:** How do you ask a 30-minute question? A 30-minute question—how do you do that?

**Mr. Lewis:** I am very skilled on that. I have just taken a minute and a half. How do you engage in such hyperbole?

**Mr. Sargent:**—to ask a 30-minute question.

**Hon. Mr. Grossman:** There were some dealings; we have had some dealings with Union Carbide through ODC. When we get to that vote, you will find that we have considerably more information for you. But on the question as to whether we have met with them yet, I have not met with them.

**Mr. Lewis:** Do you intend to meet with them?

**Hon. Mr. Grossman:** We intend to do everything possible, but whether they are prepared to meet us, I do not know that yet either. I think the Minister of Labour—is it the minister who is making this arrangement?

**Mr. Lewis:** I think Mr. Kerr wants to.

**Hon. Mr. Grossman:** The Minister of Energy and Resources Management.

**Mr. D. Collins (Deputy Minister):** I would suspect, Mr. Chairman, the complaint that closure is caused by the installation of pollution control equipment is a red herring because there are many ways in which firms are assisted—either loans or accelerated write-offs which represents a subsidy of about 55 per cent, if they have any operating profit; and the abatement of sales tax, both provincial and federal.

**Mr. Sargent:** Why do you say it is a red herring? You are not—

**Hon. Mr. Grossman:** The suggestion was, as I recall the discussion in the House, that they were threatening to leave if they were forced to look after the requirements of The Department of Energy and Resources Management in respect of anti-pollution equipment and the question was whether we would help them finance that. I think the member for Scarborough West asked that.

**Mr. Lewis:** No, no, I am sorry. The question was—because I think it is a red herring and I welcome the observation—now that they have been told to introduce pollution control on three furnaces by December, 1972, and on the other four furnaces by November, 1974, the company indicates that the cost is so great and the transfer so major that they may have to move to Beauharnois in Quebec where they have an operation, or to import whatever is produced offshore from Japan, the United States or Scandinavia.

I think Mr. Collins is right. I think the pollution stuff is a red herring. I do not think Union Carbide should be allowed to get away with it. They have been polluting Welland for 65 years, with impunity. The government finally puts its foot down and 250 jobs are jeopardized. I want to know from this branch what is it going to do about saving those jobs and about insisting that Electro Metals, its subsidiary, continue its operations in Welland?

**Hon. Mr. Grossman:** How can we do that?

**Mr. Lewis:** I want to know how you do it.

**Hon. Mr. Grossman:** There is no legal way we can force them to stay there.

**Mr. Lewis:** There are certain—

**Hon. Mr. Grossman:** Can we force a company to keep in business?

**Mr. Lewis:** No, not under this statute. There is no legal way you can force a company to stay, but it seems to me that if the government showed a pretty serious offence at a company moving out, because of the red herring of pollution control, that the company would think twice. You have given that company over \$200,000 in forgivable loans, which are taxpayers' money, presumably, or what do you call them now?

**Hon. Mr. Grossman:** Well, they would not presumably have received a great deal of that loan, if it is a forgivable loan, because it is spread over a period of six years.

**Mr. Lewis:** It was not for that plant.

**Hon. Mr. Grossman:** The plant has been in operation, I think, only about 2½ years, so it is questionable whether they will have had very much of it. If they do not carry out—that is why it is called a performance loan, that is why we changed it. But it will be understood that it is not forgivable *per se*; that you have to perform before it is yours; and if they have not performed in accordance with our requirements, that money will be returned.

**Mr. Lewis:** I think I should say in fairness, that it is not for the Welland plant that you gave the money. You gave it for Walkerton, and for another plant.

**Hon. Mr. Grossman:** That is another matter.

**Mr. Lewis:** However, I am not so nit picking as to think that just because you gave it to the other plants you cannot apply the pressure on the Welland situation.

**Mr. Sargent:** You have talked and talked, it is 10:30 of the clock.

**Mr. Lewis:** You are quite right.

**Mr. Sargent:** Mr. Chairman, you have been remiss in your duties. You should not have let this go so long.

**Mr. Chairman:** You should have been here earlier.

**Mr. Lewis:** Thank you, Mr. Chairman.



**Mr. Sargent:** You can milk it, Steve, all the way, 10:31.

**Mr. Lewis:** We still have almost 15 minutes.

**Mr. Sargent:** Mr. Chairman, on behalf of the official opposition, I want to state my position at this point as the critic of this department. We are not satisfied that the explanation of the estimates of services in this one vote of half a million dollars is acceptable to us. We want it broken down from here in as to the estimates, and instruct the minister to bring to us the amount of moneys involved in entertainment under the category of services. We will not come to the estimates any more from here in unless

we have it broken down—entertainment, travelling expenses, and so on—under the word “services.”

**Hon. Mr. Grossman:** Mr. Chairman, we have not denied this information. The hon. member asked—

**Mr. Sargent:** Okay, that is all I asked. No, I do not ask anything, I just told the Chairman.

**Mr. Chairman:** Shall vote 1 carry?

**Some hon. members:** No.

The committee adjourned at 10:30 o'clock p.m.

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ONTARIO

# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Transportation  
and Communications

Chairman: Mr. M. Hamilton

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Tuesday, July 6, 1971

Afternoon Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

THE QUEEN'S PRINTER  
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# LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JULY 6, 1971

The committee met at 3.10 o'clock, p.m., in committee room No. 1; Mr. W. Hodgson in the chair.

## ESTIMATES, DEPARTMENT OF TRADE AND DEVELOPMENT (continued)

**Mr. Chairman:** It has been suggested by the minister, and it is entirely up to the committee, that we do vote 2202, dealing with trade and industrial development programme, and vote 2205, dealing with industrial incentives and development programme, at the same time.

**Hon. A. Grossman** (Minister of Trade and Development): I should explain, Mr. Chairman, that my suggestion, which of course is subject to the approval of the committee, is motivated by the fact that it appears obvious that they spill over into each other, as we saw last night. On many questions that will be asked, we will have to say that we will have to hold them over until we get to the ODC vote. They do seem to spill over, and I thought perhaps this might be a way of avoiding holding off.

**Mr. E. Sargent** (Grey-Bruce): The Chairman was very lax in keeping the meeting under control last night.

**Hon. Mr. Grossman:** Even though he had the support of the hon. member for Owen Sound.

**Mr. E. P. Morningstar** (Welland): A good man there, a good chairman.

**Mr. Chairman:** What is the wish of the committee? Shall we deal with the two of them? Okay, we will proceed then with vote 2202 and vote 2205, so it will give you lots of room for manoeuvring.

The first speaker then would be Mr. Sargent, followed by Mr. Haggerty and Mr. Bukator.

On votes 2202 and 2205:

**Mr. Sargent:** Can I pass, Mr. Chairman? Does the member for Niagara Falls want to speak?

**Mr. Chairman:** The next speaker is Mr. Haggerty. You are passing now?

**Mr. Sargent:** I will pass.

**Mr. R. Haggerty** (Welland South): Yes, Mr. Chairman, I want to talk about some of the problems that perhaps exist in the Niagara Peninsula. One point deals with some of the suggestions that industry will be leaving the area in the Niagara region. One of the main reasons—and I think it was hammered away at last night in the case of Union Carbide at Welland, Ontario—that they perhaps have given consideration to moving into the Province of Quebec is the cost of hydro.

As part of the Niagara basic power users committee, the member for Niagara Falls (Mr. Bukator), the member for Welland (Mr. Morningstar) and myself attended a meeting there a week ago last Friday with the Niagara region council discussing the Hydro rates in the area and the hardship this was going to create to the industries there.

We have often heard here in the estimates of The Department of Mines and Northern Affairs about different industries locating in the Province of Quebec, and one of the reasons is that Quebec comes up with a better package deal on Hydro rates. The hydro rate for a 10-year contract term in the Province of Quebec is four mills. The Ontario Hydro rate is 6.53 mills, a rather large increase.

I know the chairman of Hydro has mentioned at different times that they are in line with the different hydro rates in the United States and so on, but I find here that Tennessee Valley is 4.84 mills, compared with 6.53 for Ontario. I could go on down the list here and find quite a discrepancy between other rates and the rate here for Ontario Hydro.

I was just wondering if the minister has given any consideration or has he applied any pressure to Ontario Hydro to bring its rates within reason. Let us give industry in the Niagara Peninsula a five- or 10-year agreement; this is all they are asking for, so that these plants know where they are going. They cannot plan on a one-year basis; the present rate of Hydro could go up again next year

perhaps two mills. I am just wondering what the minister has done about this problem?

**Hon. Mr. Grossman:** The problem, of course, when you are dealing within a province, is that it seems fairly apparent that it would be an almost impossible task to carry on a hydro-electric system within a province if they started to give special rates to special areas.

We in this department have already found it somewhat difficult in applying the incentive programmes within the province, because there is a great deal of resistance and objection to the programme from those areas which are not included in the designated areas. How that would be compounded for Hydro at various rates on the face of it it appears to me to be fairly apparent. What happens if they give the Niagara region a special rate, and then have some industries in some other areas that could argue the same point? I suppose you would finally get to the stage where you would say, "Well, bring all your rates down."

If that is the answer, then it seems to me that has to be the logic of it.

**Mr. Haggerty:** I say special rates on a long-term basis, on a five-year basis. Now it is urged on a one-year term, and they feel they cannot operate on this type of an arrangement.

**Hon. Mr. Grossman:** Then what are you suggesting?

**Mr. Haggerty:** Well, that they should have a stable rate.

**Hon. Mr. Grossman:** A stable rate?

**Mr. Haggerty:** For five or 10 years.

**Hon. Mr. Grossman:** I do not know if this has ever been considered—I suppose this has been debated before. Do you know anything about it, Mr. Radford?

**Mr. N. R. Radford (Industrial Development Branch):** Yes, this was debated some years ago, and I believe back in 1962 or 1963 quite a lengthy explanation was given about Ontario Hydro and its relationship with the Ontario government. At that time it was explained that Hydro rates and Hydro activity in southern Ontario were governed somewhat by the Ontario municipal hydro commissions themselves—they were the original people who set up Ontario Hydro—and the province took over as far as northern Ontario was concerned.

There were special rates given over 40 or 50 years for the Niagara area, but this has since been taken out of the system. They are now using rates that are comparable throughout Ontario, and no special rates are given in any particular area.

**Hon. Mr. Grossman:** No, but I understood the point of the member for Welland South was that at least they should have some period of time over which the manufacturer would know that the rate would remain stable—five years or something of that nature.

**Mr. Haggerty:** Yes, this is right. It is a cost factor that is important.

**Hon. Mr. Grossman:** There is a certain amount of logic in that. Has this ever been discussed?

**Mr. Radford:** It has been proposed to Ontario Hydro, but we have never received an answer in the affirmative, sir.

**Hon. Mr. Grossman:** I will look into that. I will find out what the history of that is; I will certainly pursue that, because on the face of it there appears to be a great deal of logic to it. There are certain built-in costs of operation, and it would seem to me that in those industries where the cost of hydro is an important factor, there is a great deal of value in an operator knowing what his rates are going to be over "X" number of years.

**Mr. Haggerty:** One of the other things that has always been a problem in the Niagara Peninsula is transportation. One of the problems is that in the business of transporting goods on highways they are met with tolls at both overpasses, the one at St. Catharines and the one at Hamilton. I was just wondering has this department given any consideration to having the tolls removed?

Again this makes competition rather tough on the Niagara Peninsula. Industry is feeling the pinch, with the Hydro rates and the skyway tolls; not only that but also the tolls on the Welland Canal.

I know this is out of your department, but I was just wondering if you have made any contacts or put any effort into contacting the federal authorities and perhaps having the tolls removed on the Welland Canal.

**Hon. Mr. Grossman:** I think this government, if I recall, has taken action in the past along these lines, insofar as the Welland Canal is concerned. I think if my memory



serves me, prior to being in this department we did take some action in this respect in the past. I would have to see Mr. Radford to see if my memory serves me correctly.

**Mr. Haggerty:** In the past, this is right. There was some action taken in the past, but are you going to take that further?

**Hon. Mr. Grossman:** I will be glad to take a whack at it myself, if the hon. member thinks it will do any good.

**Mr. Haggerty:** I can tell you this, if something is not done on these three things, the tolls on the Welland Canal, the tolls on the Queen Elizabeth Way and the Hydro rates, industry is going to pull out of there. They will probably go to Quebec.

**Hon. Mr. Grossman:** Does the hon. member think that the tolls on the highways are a significant factor in this? They are fairly low, are they not?

**Mr. Haggerty:** Tolls are low, but it all adds up on transportation costs, does it not?

**Hon. Mr. Grossman:** Then why do they use the toll bridges? They have alternate routes, do they not?

**Mr. Haggerty:** Sure there are alternate routes.

**Hon. Mr. Grossman:** Why would they not use an alternate road then?

**Mr. Haggerty:** It is just the same way as people having alternate routes here in Toronto; why do they use the Gardiner Expressway?

**Hon. Mr. Grossman:** I know, but if it is important it would seem to me that they would use it? With the Welland Canal they have no alternative, I presume, except a very costly one.

**Mr. Haggerty:** If you are hung up with those bridges, say for half an hour or an hour, waiting to get across the Welland Canal, I guess you would be willing to pay out five cents, or whatever it is, 25 cents or something.

**Hon. Mr. Grossman:** Let us find out just how much of a factor the highway toll is and, certainly if it is an important factor maybe something can be done in this area.

**Mr. Chairman:** Mr. Bukator.

**Mr. G. Bukator (Niagara Falls):** Mr. Chairman, I sat here last night listening to the

member for Scarborough West (Mr. Lewis), who is not here now—

**Mr. Chairman:** Mr. Bukator, would you move the mike a little closer, I think we are having a problem?

**Mr. Bukator:** I sat here last night listening to the member for Scarborough West speaking on the Union Carbide plant in Welland. He had some information that was interesting to me. I felt that I should come here this afternoon because you adjourned the debate last night on that issue. The problem is most serious, not only for Union Carbide but many plants in the Niagara Peninsula.

Not too long ago, the Cyanamid plant was talking about letting some of its people out simply because of two pressures that had been put on industries in that area. If you speak of Union Carbide, Carborundum, Norton Company and other abrasive plants, you will come up with the same problem; they have to contend with it as well. The two pressures happen to be pollution and cost of hydro.

The pressure is put on by the government to eliminate pollution, and we all agree with that. Hydro has equalized its rates, as someone just said a few minutes ago. There was a time when there was a preferential rate in the Niagara Peninsula simply because it was close to the source of power and there were not that many transmission lines. It was a new venture for the government, for the province. Industries from other countries, the parent bodies, such as that in Worcester, Massachusetts, of the Norton Company, built a plant in Chippawa. Many other plants in the peninsula are American-owned and subsidiaries of plants owned and operated in the United States.

Let me put my position clear at this time. I feel that—and I say this personally, I am not committing my party to any particular point on this issue—I think American investment in Canada has been a good thing for Canada. I think American industries that have established in the Niagara Peninsula, the plants that I am acquainted with, are good for the country. They have built plants; they pay local taxes; they educate local students out of schools and they make good administrators out of them. They have been filtering throughout the world with the knowledge that they picked up in a plant that was owned by American capital and operated in this country.

Having said that, over a period of years not too many complained about the pollution,

the air pollution and the water pollution that has been a pet subject of politicians and other citizens for the last eight or 10 years. Not too many people complained about pollution at the time that the plants were sitting around idle.

I can remember back in the early Thirties when there was no smoke coming out of those plants, nobody complained too much about that problem. They wanted work for their employees, or the people of the community, and that is all they were concerned about. But as time went on we found, as politicians, as citizens, we found that we let industry do what we should not have let it do in the first instance, and that is pollute our waters and air.

Not too long ago I had the good fortune to meet with—I guess he is a colleague; we do not fight too much—with the member for Welland and the Minister of Energy and Resources Management (Mr. Kerr) to discuss the very serious problem—I will take one phase only—of pollution from that plant, that is Union Carbide Canada Limited in Welland.

We had people here from the union who complained about working on that plant in the terribly polluted air. The new plant was being built and the smoke coming out of those stacks made it so difficult for the electricians and the others working there that they decided they would get off the job, because they just could not work in that pollution, and I do not blame them.

They wanted to know what I, as a member for that area, could do. I imagine they approached the member for Welland also, and we took it on ourselves to speak to the minister, along with two members of that union. I will give you the number of it and the people involved to get that on the record. It was Local 303 working on that particular new plant in Welland, the Carborundum plant. I will give you the names of the two gentlemen we were with, Mr. Klaus Muller, and Mr. Joe Sako, also a member of that union. They were here speaking to the Minister of Energy and Resources Management with other members of the committee who were working hard on pollution control in that area. They are Norman Mitchenson and Joe Montgomery of the Committee of One Thousand. They have been very active in the area trying to stop industries from polluting our air and our water.

The minister of—you change your names so much and so often I just cannot keep up with you all—but I think he is the Minister

of Energy and Resources Management, was very good to this committee. He said, "You have a problem; I will look into it for you."

Finally, after several meetings with Union Carbide the committee decided they ought to quit and put a limit of time in which the company can continue to pollute—I think that is sometime in 1972—then the company must cut off the operation or clean up the pollution, one or the other.

It is very easy for politicians to say we must discontinue this pollution, but then when many hundreds of people are affected and their jobs are affected, we become a little mellow in our demands. We decide then that maybe we should not put quite so much pressure on as it affects, as said here by the member for Scarborough West last night, something like 300 jobs. Union Carbide hired 850 employees. If these seven furnaces that are now polluting the air—my colleague is sending me some notes here but I think I can do it without the notes, I think I am well acquainted with the problem.

If they are to clean up the pollution in those seven furnaces, it would cost a minimum of \$750,000 per furnace or possibly \$1 million per furnace. So they are talking about \$7 million to be spent between now and the 18 months they have in which to complete the cleaning up of that air—those particular plants—or they must lock up shop.

Now I do not know what position I would take if I were a member of the government or a member of the NDP—or, yes, as a member of the Liberal Party—if they were to say to me that in 18 months they cannot bring about installation of the necessary machinery, because it is going to take much longer than that to get the machines lined up, to get them purchased and to get them installed. And when they do, they must be sure they are in a position, Mr. Chairman, where they can still be competitive in this particular field in which they work. If they want to sell their product, they must be at competitive prices.

If they are competing with other countries, as they are, then they may not be able to do the two things; that is clean up the pollution and build this machinery into their plants.

Also, they cannot accept the constant increase of hydro because of the balancing out of the rate across the province—to the tune of something like 38½ per cent in the last four or five years.



So they are caught in the middle: Clean up the pollution, pay more hydro rates and then go out and sell products to the world. They are not going to be able to perform miracles. Something has to happen on their behalf.

Now for a period of time the industries of Niagara made these complaints to Hydro. They have asked, and it was a reasonable request, they have asked of Hydro: "Give us a longer term—five years at least—so we can work our budget and our plans and our construction programme in, because if we do not!"

This was not a threat. I have met with these people many times, even before I was a member of the Legislature, to discuss their problems with them. They say: "We must have a programme, a schedule by which we will work and construct and build and employ, because we are in the business of making a profit."

Now no one can object to that. I believe in the free enterprise system, and I think if they are going to invest their money here, then they ought to be able to make a profit because their chrome and their manganese, I think they call it, does not come from Canada, it is purchased offshore from Guyana and Africa. They bring their raw material into Welland; they develop this steel; and then they sell it to the Canadian market and others. If they cannot compete, naturally they are not going to continue.

So it is not a threat. It is not a threat by Union Carbide to say to you: "Either we get a break from the government in Hydro rates, or at least extend our time to build the necessary pollution plants into our factory whereby we in time can continue to work and sell our product in the world market."

Now some may say that it is a red herring; they are trying to threaten by saying they may be taking jobs away; and we are sure they cannot move and they will not move. That argument is not sound, because the figures that I have relate to me the constant withdrawal of plants from the peninsula simply because someone did not listen to that quiet voice of the industries in our peninsula.

I spoke on many occasions in the House, and with this the member for Welland is well acquainted. I spoke in the House about Atlas Steels taking a \$40 million rolling plant, where they were going to roll out some sheets of metal they had to build a

bigger plant, and they finally worked out all of the details and problems and they came to one factor, and one factor only. Bob Macaulay was the vice-chairman of Hydro at that time in the House, and I tried to persuade him to consider a special rate simply because it would be competitive with the Province of Quebec.

No one can kid anyone in this room. The Province of Quebec will give you a long-term contract with a fixed rate for a period of time whereby you can govern yourself accordingly, and get it at a much lower rate. I will come to those figures a little later on.

So they are our competitors. The Atlas Steels moved their \$40 million plant to Three Rivers, Quebec, and since that time they have spent much more than the \$40 million estimated. We lost that industry at Welland and put many people out of work.

The Norton Company has the same problem because they are users of power in a big way. In most plants that use power to the tune of 27, 35, 40, 42 per cent of their material that they put into that product they consider that material rather as an expense against their business, such as you and I would do in our own home or in our own little business.

Because the rate was so high the Norton Company moved out of that area with some of their employees. And recently Cyanamid of Canada, the Niagara Falls plant, I should say—there is one in Welland—they wrote me a letter and sent it to me before it hit the papers to tell me what they intend to do. They have furnaces similar to the ones that are used by Union Carbide, and they too are going to lay off many more men; and I will come to that figure and get it into the records.

Now while you gentlemen of the government and this new minister are very conscientious, I believe—I have watched the minister for years in the House, he has a new portfolio. It is a very difficult one and I do not expect him to be acquainted with the facts as I know them simply because I was a little closer to the scene.

But he has his work cut out for him, and if he cannot persuade his colleague the Minister of Energy and Resources Management to take another look at the Union Carbide problem; and cannot persuade George Gath-ercole in this monstrous frankenstein that we have no control over—that is Hydro.



Sir Adam Beck, way back when, had marches on Queen's Park back in 1902, if you will, with bands and parades and people from all municipalities wanting power, and through fear he persuaded the government. Yes, he did more than that; he bulldozed these Acts through to the point where now they have a kingdom unto themselves with no requirements to report to anyone.

So if the Hydro want to raise their rates and adjust the rates, they can do it. They send in a report annually on what they have done, a sort of history of their activities. But we have no control whatsoever over them.

So you have what? Task Force Hydro—a committee appointed by the government to finally look into their activities. I think long before they raise the rates on any industries that task force report should come before us because they are talking, I believe, about a six per cent raise of rates across the board for all of the industries and the consumers of power in this province, while our industries are moving out and our people are walking the streets.

Now it is about time we approached the thing with a little bit of common sense and reasoning. I do believe that the Hydro should not be able to raise their rates without first coming under a minister of this government. I have said this since I remember. Hydro should have some control over it; the rates should not be increased and the people should have at least a five-year contract when they do have a firm company contract for power. There are the three sources or types of supply arrangement. There is the firm contract, the interruptibles, and at will.

So when they get a firm contract the next thing is that their rates ought to be competitive with other jurisdictions if you want that industry to stay in the province of Ontario. No one can tell me that the people of the Province of Ontario are not as capable of keeping the rates down as the Quebec people are. They are taking your industry from you one by one while we are sitting here making a lot of funny noises.

Now, let me show you some of the facts as I have them before me, and I think these can be confirmed.

**Mr. D. A. Evans (Simcoe Centre):** Does the Quebec government subsidize hydro?

**Mr. Bukator:** No subsidy. They just give them a lower rate. They have one of the finest power—

**Mr. Evans:** How do they assist them?

**Mr. Bukator:** Well, take that up in your caucus if you like and find out how they do it.

**Mr. Evans:** I would just like to know.

**Mr. Bukator:** You might send a task force to Quebec.

**Mr. Evans:** Well, I think it is very interesting.

**Mr. Bukator:** Sure it is. Absolutely. And you are in the position to persuade your people.

It says, Hydro Cost Might Force Carbide Plant From The Area.

I mentioned this before, but I think it bears repeating. If the seven furnaces shut down, about 300 employees will be out of work. They now employ about 800 people there.

Now, we have a new twist on our local paper. They call it "Instant Editorial." You can call up anytime through the night, whether you are sober or drunk, it makes no difference—actually very few people get drunk in Niagara Falls according to the records.

So they have an instant editorial for local papers and the next night they publish what was said. Someone read an account about a visit of—I am sorry the member for Scarborough West is not here. He was down in the area, speaking to a gathering of people, and this instant editorial was written up this way in the paper the next day:

If Stephen Lewis, Leader of the Ontario NDP, is serious about seizing Union Carbide and putting it into joint operation between the company and the government, he is practising the same high-handed attitude that he accuses others of practising.

And it goes on a little further—maybe I should read that too; it bears reading and repeating and putting into the record:

Surely he realizes that the company cannot operate any place in Ontario without complying with antipollution laws? Politicians must stop forcing their will on private enterprise. Pass laws on pollution and enforce them, yes; tell industry how to run their business—no way.

**Mr. M. Makarchuk (Brantford):** The creep who wrote that editorial was probably the same fellow who fired me for running for the NDP incidentally.

**Mr. Bukator:** I would not know.

**Mr. P. J. Yakabuski (Renfrew South):** Read on!

**Mr. Bukator:** I would like to touch on that lightly; it may not be exactly in your estimates, but can you imagine these 15 or 20—

**An hon. member:** He is a little reactionary, you know.

**Mr. Makarchuk:** He is a believer in freedom of speech too.

**Mr. Bukator:** Well I tell you, you are having it here. I do not think that I—

**Mr. Chairman:** Order! Mr. Bukator has the floor, let him proceed.

**Mr. Bukator:** Well, they talk about freedom of speech! I am getting it here without even asking for it. The NDP members will have their say, I hope, eventually. I would like to hear what they have to say about this matter.

Can you imagine, Mr. Minister, through the Chairman any one of these 20 or 25 fine gentlemen who sit in the NDP taking over any industry in Canada as members of the government—

**Mr. Haggerty:** They said seize them!

**Mr. Bukator:** —and running them jointly and saying: "You must stay here and operate that plant regardless of whether you sell your product."

**Hon. Mr. Grossman:** Oh I can imagine it, but it is a horrible thought.

Interjections by hon. members.

**Mr. Chairman:** Order! Let us get on with Mr. Bukator.

**Mr. Bukator:** Let us look at private enterprise and how it affects these particular industries. Would it not be common sense and reasoning if we let these experts in free enterprise run their plants, give them an opportunity in this province to make the money, and then in turn the province and the federal government tax them and take it off the top?

Let the experts run the plants and let us get our pound of flesh. If they are going to manufacture the thing they dig out of the ground in Canada, which is not to be replaced, the mineral wealth that they take out of these lands, is it not common sense and

reasoning that we should have some of that profit left with us?

**Mr. D. Jackson (Timiskaming):** That is socialism.

**Mr. Bukator:** No, it is not socialism, it is free enterprise; and then we tax them accordingly. A wonderful approach! There is a difference between rape and romance, you know. They tell me it is salesmanship.

**Hon. Mr. Grossman:** That is free enterprise.

**Mr. Bukator:** And so I do not want the socialists to rape me or mine. I want free enterprise to continue.

**Mr. Jackson:** You have no fear.

**Mr. Bukator:** He is right, we have no fear is right because I tell you my hair will be a lot whiter than it is now when they take over. Now getting back to these particular estimates if you will—

**An hon. member:** If they take over.

**Mr. Evans:** They have nothing to rape anyway.

**Mr. J. E. Stokes (Thunder Bay):** Let us talk about Polymer Corporation.

**Mr. Bukator:** Well I tell you, the member for Thunder Bay can have his say when the time comes.

**Mr. Yakabuski:** That is a monopoly.

**Mr. Jackson:** You only talk about what suits you. So is International Nickel a monopoly, by the way.

**Mr. Bukator:** We have some very interesting figures here—if I can find them.

The basic power users of the Niagara Peninsula have a steady employment of 7,000 people; and the dependants per employee averages out to about two per employee, that is 21,000 people. They export from that area \$50 million per annum; a contribution to the trade balance of something like \$30 million—so they must make that amount of money.

The purchases locally in that area are \$13.5 million and in Ontario they spend another \$15 million and their payroll in the peninsula is something like \$45 million.

The taxes are \$3.5 million; use of transportation, bus and rail, some \$8 million; and their capital expenditure per annum is \$3.5 million.



We stand to lose industry after industry if we do not adjust these rates. The rates in 1939 for Hydro—average rates in mills—was 2.66, and I will not bother too much about that until we get down to 1959, they jumped to almost double—4.70. In 1964—4.75; in 1969—5.50; in 1970—6.05; and in 1971 an estimated 6.53.

Now this is an annual increase without any warning whatsoever. "Next year your rate goes to so-and-so." The plants must take orders early in the year to sell their product, naturally; and if their rates go up that way without knowing what is going to happen to them, they do one of two things—they lose on their product or they lose their customers.

So they have come to us with a very reasonable request and said "We are not kidding you. This is what is happening not only to the industries of the Niagara Peninsula it is happening throughout the whole province."

Someone said that last year we lost something like 2,000 industries in the Province of Ontario. I heard this in the House. We should not be losing them, we should be getting them to handle the added population swelling our work force.

But here is what has happened because we did not listen to this quiet voice of industrialists of our area: The Niagara basic power users estimated economic effect of capital expenditures on decisions made in 1969 regarding local economy, in employees alone they lost 3,246 jobs; we lost capital investment of \$100.75 million; and in recurring losses—

**Mr. Evans:** That is a lot of money.

**Mr. Bukator:** Yes that is a lot of money; also a lot of jobs and a lot of people who are walking the streets because of the attitude of this government as I see it.

**Hon. Mr. Grossman:** It has nothing to do with this government.

**Mr. Bukator:** I do not know where else to point my finger.

**Hon. Mr. Grossman:** I will show you; I will tell you soon.

**Mr. Bukator:** All right, fair enough. I would like to have your answers.

The payroll losses per annum were \$17.71 million; the local purchases in that municipality, \$7.1 million; and the local taxes, \$770,000—all lost because these companies have built their plants in other areas.

The provincial economy: material purchases of \$14.71 million per annum; Ontario Hydro lost—not that they care too much I guess—\$5.87 million; and the transportation revenue loss was \$3.85 million per annum. The national economy lost contributions of favourable trade of \$24.25 million. And so the summary is: initial losses of 3,246 jobs; capital investment of \$100.75 million; recurring annual losses of \$30.12 million.

Now these come from experts and they were only brought to me. Why did they go to other areas? Why would they pull up and take their industries with them? Well here is the reason.

The power authorities and their term of contract, and the mill rate in the same year. Hydro Quebec will sell them power for 3.40 mills and give them a five- to a 10-year contract. The Tennessee Valley will give them a 10-year contract at 4.96 mills; New York State will give them a 30-year contract if they want it—up to 30 years—for 5 mills, and Ontario Hydro—I do not want to give the rest of them in between; as a matter of fact we can even get cheaper power in British Columbia—the Hydro rate is the highest of the lot at 6.05 and they get a one-year contract. They do not know what will happen in the next year.

So any of you people that have been directors in companies, or in any business, the first thing you would look at is what your projections of figures are from your past experience in the next year or two or three, four, five; and then you consider what you are going to construct and where you are going to invest your money if the market is favourable and if you can sell your product.

So the squeeze is between two points. From the top: "Clean up your pollution;" and from the bottom: "Your rates go up"—and they find themselves in the middle with a product they cannot sell at these prices.

Let me take this a little further if you will. One of the finest plants that we have had in the city of Niagara Falls is Dominion Chain. They pulled out of that particular city simply because they could not compete in selling their chains against others in the market. They went up into Stratford, if I remember rightly, built a modern plant with modern machinery and now I think they are doing quite well.

But if there is any purpose for any department—and I would like to continue because I have a lot more to put on the record, but I think others want to speak, too—if there



is any purpose for any department in this government, it is your department and the way it conducts its affairs it ought to be on the doorstep of these industries to listen to their woes and sorrows and see if it cannot persuade the three, four, five branches of government, to get together and find out whether they should not give some concession to keep them here. What the cost will be of subsidizing the farmers and their cheese, their butter, their milk—

**Mr. G. W. Innes (Oxford):** Oh no!

**Mr. Bukator:** No subsidy on milk!

This government has helped in many ways, and it is about time it got its ear to the ground because it still has a few more months before the next election. I do not think it can recoup its losses.

**Mr. Sargent:** The time is running out.

**Mr. Bukator:** But I say to you that the breach between this government and the industries as I see it, is quite large. The gap is great, and I think it is about time we got together with our industrialists to try to find out if there is an answer to the problem.

All they are asking for is a common sense approach. I have found the industrialists whom I have talked to have a good sound argument. I suppose your people have talked to them. I would not doubt for a moment that you have had many contacts with them.

I was in Ottawa, not too long ago but a few years ago. I had a plant for sale, being in the real estate business—300,000 square feet under one roof, quite a substantial plant. Drury was the man to speak to then, I thought. When I was speaking to him in Ottawa with his trade missions, trying to deal with other countries, I said, "Do you have a list of the industries and industrial sites that are available to people from other countries when they come to Canada that you can say: 'All right, we want you to buy our product?'"

The man may say, "I would like to develop this thing in your country." You can go down the list and say: "There are 27 industries that are vacant in the Province of Ontario; there are 13 in Quebec;" or whatever the case might be, but you should have a list of them.

Mr. Drury said his department had no such information. All the missions are there for is to persuade the countries to purchase. I was staggered. You would think it would be a very, very simple thing to let them know how many square feet.

Last night, I was amazed at the problem the province has. A record of industries and industrial sites, where they are available, what the rent is and what they can pay for them if they want to buy them outright.

Interjection by an hon. member.

**Mr. Bukator:** Well let me tell you something, you have not had that in existence too long, because I talked to some of your people not too long ago.

**Mr. Radford:** For more than three years we have had this building listed as available.

**Mr. Bukator:** How long?

**Mr. Radford:** I have been in government nine years and a list has been in the department for at least nine years.

**Mr. Bukator:** Nine years. I approached—and it might have been you—

**Hon. Mr. Grossman:** The only trouble with this government is that it hides its light under a bushel. We do all this work quietly.

**Mr. Sargent:** Not with you there.

**Mr. Bukator:** It is not too much of a light.

**Mr. Sargent:** All you do is talk.

**Mr. Bukator:** I approached some of your people with this particular plant, and I suppose you could call that a conflict of interest. Here I am in the real estate business, a member of the Legislature, trying to persuade this government to send me to a customer who might buy my plant.

It was an exceptionally nice visit or two, and that is where it wound up. I think if you look at your records, no one ever approached me.

It is still a nice plant and still for sale by the way. Maybe through this effort I might sell my plant, and if I do I might not even run again; just like the member for Lanark.

**Mr. G. E. Gomme (Lanark):** I hope you do.

**Mr. Bukator:** Anyhow, if you have an index of industries, and if the people know where they are and how much they can pay for them, I think that is good business. If the gentleman says that they have, then I will accept his word for it. If they do not handle it any better than they handled mine, after three or four years, you are not getting rid of too many.

Now then, I want to sum up. With what I have said about our local plants, let me tell you what I think will take place.

Some of them have already left. There is a possible chance that the Atlas Steels Company at Welland will move—they have lost their first \$40 million plant. The Beaver Wood Fibre Company in Thorold also informed me that it had a similar problem with Hydro rates; Canadian Carborundum with pollution in Niagara Falls; Cyanamid of Canada Limited, Niagara Falls; Exolon Company of Thorold; the Lionite Abrasives Limited of Niagara Falls; the Norton Company added an addition to a plant in Three Rivers, Quebec; the Ontario Paper mill in Thorold, and Union Carbide claims it is going to get out if it does not get some relief.

We need help!

An assessment of the general position and the growth classification in Niagara region shows four industries are growing less rapidly than average in the region; four growing less rapidly than average in both region and province and one growing more rapidly than average in region but less rapidly than average in the province.

They have made a tremendous research effort, using experts, and they find themselves in the position where it may be serious if they do not get some consideration on those two items.

I can tell members how to handle the pollution problem. It is not that difficult. If I were in the position of the minister, and I had the ear of the other minister, I would do three things.

**Hon. Mr. Grossman:** That is what I am interested in. Very good!

**Mr. Bukator:** One can criticize very easily, but if he has not got a solution he is not making much of a contribution.

I think any disposal unit, any air pollution, any water pollution problem that they have where they build to correct it—yes, like the Ontario Paper mills which recently built something like a \$2.5 million addition to its plant to clean up the pollution of that area, that particular stream flows through Thorold that you are acquainted with—I would give them municipal tax free.

It is a problem that they are cleaning up for the people of the whole area and I do not think they should pay municipal taxes on the land and buildings.

**Mr. Evans:** Let the ordinary taxpayer pick it up.

**Mr. Bukator:** Nobody is picking it up.

**Mr. Makarchuk:** That is socialism for the rich and private enterprise for the poor. That is what the member is talking about.

**Mr. Bukator:** You can tell me you do not agree with me, that is fine, but—

**Mr. Yakabuski:** You are trying to get on the good side of the Minister of Energy and Resources Management, but you are too late.

**Mr. Bukator:** I would say this to you, perhaps they are going to clean up the pollution that has been going on for 65 years. We have been polluting the air and the water and we are now accepting it as people. I would say I would forfeit a few pennies on my taxes to get that cleaned up for me and my children after me. A new plant, naturally, would pay the shot. But I say the old one should have some assistance.

**Mr. Makarchuk:** Union Carbide, in other words?

**Mr. Bukator:** You know I get a big charge. These fellows suck and blow at the same time. That is quite a little stunt, if you can do it.

**Mr. Jackson:** We might just as well put people out of work as take away their earnings. If they want this—

**Mr. Yakabuski:** Do you want the streets filled with unemployed?

**Mr. Bukator:** I hope the record picks that up. This member, where is he from?

You might just as well put the people out of work as take their money away for taxes to pay for cleaning up pollution. This is what he says. You might as well have them out of work.

**Mr. Jackson:** That is not what I said.

**Mr. Bukator:** You can correct it. That is the way it sounded to me.

**Mr. Stokes:** If you would approach your people in Ottawa and get some national standards.

**Mr. Bukator:** You have a man in Ottawa now by the name of Lewis who ought to be listening to you. Maybe he can do it for you?

**Mr. Stokes:** Unfortunately the Liberals are in power.

**Mr. Chairman:** Could we get along with the estimates at this time?

**Mr. Bukator:** Getting back to the cleaning up of the pollution problem, there are many industries today which do not have the capital to go on with cleaning up. They would like to, and I think the government here should assist. I understand you do.

**Hon. Mr. Grossman:** We do. That problem is solved. We do that.

**Mr. Bukator:** Not to the extent you possibly should.

**Hon. Mr. Grossman:** Oh, no; we give them all the assistance they need.

**Mr. Bukator:** That is very good.

**Hon. Mr. Grossman:** If they cannot get the money on their own, we will be glad to help them; and we do.

**Mr. Bukator:** You have taken one bullet out of my gun. The other is the rapid write-off. If they put their money in there they should be able to write it off quickly in their taxes.

**Hon. Mr. Grossman:** There is nothing we can do about that here. They are to some extent given a write-off anyway. They are given a rapid write-off—two years. So there is your second bullet. How about the first one?

**Mr. Bukator:** The first one I have been disputing here.

**Hon. Mr. Grossman:** You say the municipal taxes should be relaxed?

**Mr. Bukator:** I think they should. I think where they are cleaning up.

**Mr. Haggerty:** On the pollution part of the plant itself?

**Mr. Bukator:** On the pollution part of the plant, that is all. Nothing else.

**Mr. Haggerty:** The municipal sewage too. There are no taxes paid on it.

**Mr. Bukator:** I would think that from what I have seen, especially in Welland, in those streams, the people of Welland would be glad to see this cleaned up. All it requires is giving the industry a bit of a break on the unit that cleans the mess up.

**Mr. Makarchuk:** How much of a break?

**Mr. Bukator:** How much? This supposed intelligent—

**Mr. Jackson:** Are you talking about the part that pertains to the pollution?

**Mr. Bukator:** That is all.

**Mr. Jackson:** Not the plant itself?

**Mr. Bukator:** No, not at all.

**Mr. Jackson:** Then I will change my mind.

**Mr. Bukator:** Very good, he changed his mind; he is with me. I am glad. It is as simple as that.

You have to put up with the pollution that goes by your door or you clean it up. If you clean it up, and you build the package with which you clean it up, you should not pay municipal taxes on that part of the plant only. I was not referring to the whole plant. But at least the minister could sit across the table with them, and say, "What is your problem? Why do you want to go?" Not what Bob Macaulay did, who finally said, "I have agreed to give them exactly the same rates as Quebec did." And that is in the record when I questioned him on it.

Do you know when he decided to do that? After the contract was signed and they had their bags packed and they were on their way; then he said, "I have agreed to go."

I think concessions in the right places for the benefit of the people of the province—for the jobs that are required—are good. I buy that kind of selling.

I do not think that there is much I have left. I have only touched on one or two points, and there are seven here I could talk about, but I will concede—I will give in to the boys that want to say something too.

**Mr. Morningstar:** That is very kind of you.

**Mr. Chairman:** The next speaker is Mr. Makarchuk, and then Mr. Morningstar, Mr. Spence, Mr. Stokes and Mr. Yakabuski.

**Mr. Makarchuk:** It would be very interesting, Mr. Chairman, to know what the undistributed profits are of Union Carbide and some of the other companies mentioned, before you start handing out welfare for these poor corporations, if I may—

**Mr. Bukator:** I did not say that.

**Mr. Makarchuk:** The way you talked about it you would think that Union Carbide was walking around in rags up there—



**Mr. Bukator:** The way I look at it—

**Mr. Makarchuk:** The knees are showing through their pants, they are a corporation with holdings all over—

**Mr. Bukator:** You want them to hand you all their money and then dictate to them too. This is where I want the government to—

**Mr. Chairman:** Let us come to order.

**Mr. Makarchuk:** For four years they have been involved in polluting the atmosphere and the environment of the people of this province, and now they—

**Mr. Bukator:** Tell us what you would do, I do not think you are interested enough to—

**Mr. Makarchuk:** If the member was here last night he would have known that the pollution thing is a red herring from a statement that was made by the deputy minister last night. You should have listened to that too, or read the statement in Hansard, perhaps there are other things involved.

**Mr. Bukator:** So far—

**Mr. J. B. Trotter (Parkdale):** Just a second, on a point of order. I think the member for Scarborough West agreed with the deputy minister, did he not?

**Mr. Yakabuski:** Check with your caucus before you come to committee.

**An hon. member:** He did.

**Mr. Makarchuk:** He did.

**Mr. Yakabuski:** You will throw the whole machine out of gear.

**Mr. Haggerty:** Did you not listen?

**Mr. Makarchuk:** Just to get back to the statement, pollution is really the red herring in this particular case and there may be other aspects involved in the thing. It certainly does not in any way indicate that we should sit back and just let the multinational corporations decide to do what they want to do. I think it is incumbent upon the government to act in these cases.

What I want to get back to for a moment, Mr. Chairman, is the matter that the hearings will be scheduled shortly before the National Energy Board. I wondered if the minister or his department has made any presentations, or are going to make any presentations to the National Energy Board in terms of the total energy requirements of

the province. This, of course, is related partially to what was said earlier, but is certainly related to industrial development and growth in the province. That is the one aspect of it.

The other aspect, of course, is if there is any kind of inventory taken of the future needs for gas as a raw material for the plastics industries or other related petrochemical industries which are dependent on natural gas for their existence. I wonder if the minister can—

**Mr. Chairman:** He has taken a note of it. Would you like to go on with the rest of your questions?

**Mr. Makarchuk:** That is the one question that I—

**Mr. Chairman:** Is this your question? I mean—

**Mr. Makarchuk:** I have all sorts of questions.

**Mr. Chairman:** Go ahead, the minister has taken a note of it, and he will answer when you are finished.

**Mr. Makarchuk:** I would prefer that he would answer the question that I was discussing.

**Mr. Chairman:** The minister would—

**Hon. Mr. Grossman:** I would carry on in the manner in which I am directed by the committee. I would like to have answered Mr. Bukator's questions. I have pages on them.

If you prefer I do it as we go along, Mr. Chairman, I do not want to keep one member different from another, that is all. Whichever way you want it, that is all.

**Mr. Chairman:** If you want to answer some of the questions, we will put them in sequence.

**Mr. Makarchuk:** I would prefer that, Mr. Chairman.

**Mr. Chairman:** As chairman of the estimates committee, and if I have the backing of the committee, I would rather you speak your piece as Mr. Bukator did and then if—

**Mr. Makarchuk:** Mr. Chairman, it is not for you to decide how you would rather—

**Mr. Chairman:** It is for the committee to decide. If you do not agree with the chair—

man's ruling, you have the privilege to challenge the chairman's ruling.

**Mr. Makarchuk:** We are challenging the chairman's ruling. We are going through the estimates; we expect the minister to answer the questions as we raise them specifically, because then we could elaborate on the questions and ask other related questions to that particular issue. You cannot otherwise really carry on any kind of sensible investigation or discussion on the estimates. I would prefer the minister, if he would like, to answer the member for Niagara Falls first. I will hold off.

**Mr. Chairman:** Quite all right, go ahead and answer after each speaker.

**Mr. Makarchuk:** And after the member for Niagara Falls has some comments, I think, as far as—

**Mr. Chairman:** But as far as chit-chat back and forth, asking a question and getting an answer, that is—we leave it for your opinion.

**Mr. H. Peacock (Windsor West):** This is exactly the way the estimates are done in the House and that is the way the committee is entitled and empowered to do them too.

**Mr. Chairman,** we have a debate with the minister here in this committee, we can debate singly as we do in the House, dealing with each member in turn or we can go topic by topic, with the chairman recognizing each member that wishes to speak on each item.

**Mr. Chairman:** I will recognize each member that wants to speak.

**Hon. Mr. Grossman:** Right, I do not want to question that but actually it is somewhat incorrect. I do not care, it does not make any difference to me, but in the House it is left to the minister whether he wants to answer as he goes along or at the end. As far as I am concerned it does not make any difference to me. I leave it up to the committee.

First in respect to having stable Hydro rates over a period of years, I had mentioned earlier—I do not know whether the member for Niagara Falls was here—but I thought there was a great deal of merit in this. In fact I believe OWRC does this in respect of their rates. I think they are over three to five years. It is worthy of very serious consideration.

I mentioned that I recognized this as a problem and the very fact that the government has set up a committee to study the

powers of Hydro, its rate structure and so on, is evidence that the government is concerned about this.

Also, we are concerned about the matter of Hydro powers, and its relationship to the elected representatives. And the government is most serious about this, because we have been concerned ourselves about some aspects of it.

What the hon. member really did in talking about pollution control, with great respect, is highlight the dilemma of attempting to put into effect those controls on pollution which are deemed necessary. Everybody wants to have pollution control except when it affects them or their district. Everybody wants the government to be tough.

As a matter of fact—I do not want to become political because this is such an unpolitical thing—but the fact remains that the opposition is constantly charging the government with not being tough enough in its pollution measures. We are not being tough enough, we are being too easy with some of these people. So you know, where are you?

I am sure, for example, that the leader of the NDP would not agree that we should allow the plant in Niagara Falls to get away with polluting the atmosphere—with pollution of any kind—to keep people on the job. His argument will be, "They can do both." I think also that they cannot do it, with great respect to the hon. member.

The way I offered in the House, if he will recall—although I do not know whether he was there during that question period—when I was asked whether in fact I would do that, and if the government would do this. As a matter of fact, I answered at that time; I can remember it, almost word for word, and that is "we would offer them assistance, financial assistance for pollution control, if in fact they found it difficult to finance it themselves." We have not heard anything from the company in this respect at all.

In reading the report on the measures which the Minister of Energy and Resources Management has ordered I really cannot see that this creates such a hardship for the company. It seems to me fairly reasonable.

The pertinent terms of the minister's order are: (1) in respect of carbon manufacturing, that they control the five baking kilns by August 1, 1972; (2) control all electrical calcining furnaces by July 1, 1976. In respect of their ferro-alloy manufacturing: (1) shut down No. 34 alloy furnace by November 1, 1972; (2) control ferro-alloy furnaces 35 and 36 by

November 1, 1972; (3) control ferro-alloy furnaces 27, 28, 32 and 33 by December 1, 1974.

I am not as familiar as the hon. member may be with respect to the exact implications of this timing schedule, but I am advised by those who should know that this is a reasonable request, and if the hon. member thinks that we should take it for granted that the company cannot afford to do this over that period of time, I am sure he would not do—

**Mr. Bukator:** If I may interject—

**Hon. Mr. Grossman:** If they require—

**Mr. Bukator:** I do not want to take anything for granted. I would like your people to go down and have a chat with them.

**Hon. Mr. Grossman:** Our people have been in touch with them. There is some question, in fact, whether this is their reason for wanting to move a portion of their operation. Incidentally, I think at this moment it is all rumour. I do not know that there is anything specific from the company.

Is there anything of an official nature from the company? We have not heard anything official. It is all you might say barrackroom gossip at the moment, and of course a lot of these things are. Sometimes they turn out to be true. The fact is that it is possible, in our view, that they might decide to relocate the ferro-alloy operations in Quebec because it could be argued from their point of view, I suppose, that they are going to have to do the same thing with their plant in Quebec. They might find it economical if they are going to have to do it, to move it to one place rather than do it in two places.

**Mr. Trotter:** Do they give you any warning if they are going to do that?

**Hon. Mr. Grossman:** Well, that is another matter—

**Mr. Trotter:** De Havilland laid 700 people off work this afternoon. I wonder how much warning you had of that!

**Hon. Mr. Grossman:** I do not know that they laid off 700, but that is another matter. We will discuss that in a moment. If you want sad news I have a whole file of it here, and I am trying hard to control my usually low boiling point when I feel incensed at something.

We are fighting a battle here against tremendous forces, and it is not just or even

private companies. It is a matter of dealing with the federal government and its policies, and if you think that is partisan I would be very glad to bring this out. I just want to maintain, if possible, a reasonable calm so that we can discuss this in a reasonable fashion.

**Mr. Makarchuk:** After all Mr. Trudeau recently visited the Niagara Peninsula—

**Hon. Mr. Grossman:** Well, we will talk about it.

**Mr. Makarchuk:** I wonder if he was approached on this matter.

**Hon. Mr. Grossman:** Mr. Trudeau can tell the people to go to hell and they would still love him. I cannot.

**Mr. Haggerty:** I would like to add a comment there. I believe Atlas Steels purchased much of their product from Union Carbide. I think it is magnesium, if I recall, and some of their other alloys. I was wondering if they were thinking about moving to Quebec—Atlas Steels moved their large stainless steel plant down to Quebec—maybe this is a product that they need for stainless steel. That involves transportation and so forth.

**Hon. Mr. Grossman:** I would not know. In the matter of Hydro—to be fair to Hydro, as far as I am concerned I want the right thing to be done. If you are talking about Hydro rates, the hon. member knows that hydro-electricity can be produced cheaper in Quebec than it can in Ontario because they have the water to provide power.

**Mr. Haggerty:** Niagara Falls is right next door.

**Hon. Mr. Grossman:** Just because it is next door does not mean that it has all of the water supply.

**Mr. Stokes:** You think everybody in the province should subsidize Niagara Falls, I suppose.

**Hon. Mr. Grossman:** Nobody said that.

**Mr. Haggerty:** We have heard enough about how poor everybody is up north, they are poor down in the south here too.

**Mr. Chairman:** Let the minister finish.

**Hon. Mr. Grossman:** The fact is that Quebec is probably prepared, I am sure they are, to do a lot of things that this government and I am sure this Legislature would not be pre-



pared to do—to move plants from any part of Canada or any part of the world to Quebec; not only with Quebec money, not only with municipal exemptions, but with federal money.

They are doing it and everyone might as well keep their eyes on that because it may get a lot worse before it gets better. I hope not, to be optimistic about this. We have to make up our minds whether we are prepared to go further than Quebec is and whether we can do that having regard to the fact of how far—perhaps I should not say Quebec—other parts of Canada are prepared to go with the help of federal government money. A good portion of this, 40 per cent I presume, is coming from the Province of Ontario on the basis of its regional expansion programme. What do they call it? The DRE programme.

Now there is a great deal of merit in that, but how much of this Ontario can stand is another matter altogether. If we get into a battle in attempting to outprice the incentives and so on in other parts of this country, it probably will be a losing battle anyway having regard to the federal government's DRE programme and other programmes on which there is ample evidence.

However, to get back to this particular plant. We are not too sure, in fact, that this plant is thinking of phasing out any portion of its operations. Yesterday—the hon. member was not here I think—there was a suggestion that perhaps we ought to try to outbluff or call the bluff of some big firms when they are suggesting that they may move out or may lay off a lot of people unless they get some special government assistance.

Again, we are in a position which everybody, perhaps, will think is a good idea. Let us call somebody's bluff—but nobody wants to do it in their own area. I certainly do not want to do it. I am sure no members here would want us to do it, because if we lost the bluff, we are dealing with the jobs of many people.

**Mr. Stokes:** That is the same company that go two \$500,000 EIO loans.

**Hon. Mr. Grossman:** Those are two different plants in two different areas.

**Mr. Stokes:** It is the same company.

**Hon. Mr. Grossman:** All right, just before you jump into the hole, your leader yesterday stated here that he did not think that that should have any effect on the assistance the other two plants got—

**Mr. Peacock:** Is that a fact?

**Hon. Mr. Grossman:** Pardon?

**Mr. Peacock:** Is that a fact?

**Hon. Mr. Grossman:** That is a fact. That is what he said here—

**Mr. Peacock:** Who is reading the transcript on that? I just sent it out the door. I would like to—

**Hon. Mr. Grossman:** You should have read that—

**Mr. Peacock:** I sent it away a little too soon.

**Hon. Mr. Grossman:** He agreed to that right here. He said that he did not think we should take punitive action, I think he said, against the other two because of this plant. Of course not. He is playing the same political game as everybody else is. Do that, but do not put me in the position of asking you to do anything that will lose people their jobs.

But I am here and I have to walk a tight-rope, hoping that anything I say or do will not have the effect of making anyone lose his job. At the same time encouraging, as the Schreyer government is doing, foreign investment to come here so that we can keep people employed, and not saying anything which will discourage them from coming. At the same time, being in favour of the Canadians having as much control over their economy as possible.

**Mr. Stokes:** Are you saying that you should treat each plant of a multi-national corporation as a separate entity?

**Hon. Mr. Grossman:** Yes, we do.

**Mr. Stokes:** You are saying then that they could be laying off people in Sudbury and you could be giving them a forgivable loan in Niagara Falls?

**Hon. Mr. Grossman:** Yes, providing the second plant you referred to—the second location—has no bearing on their laying off people in the other plant.

**Mr. Stokes:** All they have to do is transfer the operation.

**Hon. Mr. Grossman:** We would not let them do it. In that case, they would not be carrying out the terms of the loan and we would call the loan in. If they had in fact already received any money, we would do

that. We make sure that they do not do that.

Mr. Stokes: I would hope so.

Hon. Mr. Grossman: Well, of course not. We are not stupid. We are not going to let them take people out of work here and put them in another plant, although some are attempting to make that point. We will deal with that some other time during the estimates.

If I was giving them municipal tax exemption, I am sure the hon. member would not find that meeting with a great deal of favour in his municipality. I presume he is suggesting that we give them a municipal tax exemption—that some other government should make up for the loss of revenue, and it should be the municipality.

Mr. Bukator: I am talking only about the unit that cleans up pollution.

Hon. Mr. Grossman: You appreciate the fact—

Mr. Bukator: Now I have to make up my mind whether I want to pay a few more cents on my taxes or have that area polluted. I do not want—

Hon. Mr. Grossman: It does not really make any difference because you are going to pay for the anti-pollution measures anyway. All of this is passed on to the consumer. If it costs a plant more to operate, they are going to pass that on to the consumer.

Mr. Bukator: All right, we do not agree. Get on to your next point.

Hon. Mr. Grossman: You appreciate the fact—

Mr. Bukator: I will not agree with you and you will not agree with me, so we will go on to your next point.

Hon. Mr. Grossman: You appreciate the fact that even if a municipal government were able and did give municipal tax exemption, what you are doing is again handing the federal government more money. This would obviously be an allowable exemption against the expenses of operating the company when they are putting in their anti-pollution equipment. They get exemption for it in the corporation taxes. If you relieved them of this, you would be relieving the federal government of at least doing its share in anti-pollution.

In any case I am just advised here—I got a whisper—that municipal taxes are not on the equipment; they are on the building.

Mr. Bukator: I knew that. Did you not?

Hon. Mr. Grossman: At the moment it escaped me. If you knew that, what kind of municipal tax exemption are you talking about?

Mr. Bukator: I am talking about your land and building in which they do the cleaning up of pollution, and that is a very costly—

Hon. Mr. Grossman: Quite frankly I am not in favour of this. We have a programme if the company requires it. And we have told that company, as I mentioned earlier, if they require financial assistance we would be glad to loan the money over a long term at reasonable rates providing they can establish that they are not able to do it themselves or cannot get the money from conventional sources.

Mr. Bukator: When did you establish that policy?

Hon. Mr. Grossman: Pardon?

Mr. Bukator: When did you establish that policy?

Hon. Mr. Grossman: We have been giving anti-pollution loans for some time now—two years. Would you repeat yours now, Mr. Makarchuk?

Mr. Makarchuk: Yes, Mr. Chairman, mine is related to the fact that the National Energy Board will be holding hearings on gas—

Hon. Mr. Grossman: The Ontario Energy Board would do that.

Mr. Makarchuk: The point is that when we had the Minister of Mines here he said that somewhere, not in his department, there was an agency of government and the Minister of Energy and Resources Management alluded to it this afternoon, that there is some agency somewhere in government which is taking some kind of an inventory, trying to find out, to look at the total energy requirements for the Province of Ontario. And I just wondered, where this agency is. Where does it exist? So far we have not been able to find it.

This is the first question. Would you know where this agency exists?

**Hon. Mr. Grossman:** There are many agencies. Which one?

**Mr. Makarchuk:** The agency concerned about the total energy requirements for the Province of Ontario, and this would include electric, natural gas, fossil fuels and so on.

**Hon. Mr. Grossman:** I will get that for you.

**Mr. Makarchuk:** You know, the present requirements, the projected requirements—

**Hon. Mr. Grossman:** I am not going to give you the answer to that because I want to be sure. I will get the information.

**Mr. Makarchuk:** It has been pointed out to us that when Hydro started switching to natural gas on the Hearne generating plant, that all of a sudden they found that the requirements were difficult to meet, and obviously you were not prepared, or the government really is not aware of what the requirements could possibly be.

This is just the energy requirements that I am concerned about. You do not seem to have the answers on that; which is very difficult then, if you are going to plan economic development or be responsible for economic growth and development in the province and you do not know what energy requirements you will need or what energy requirements are available. I do not know how the heck you are going to go ahead with planning.

**Hon. Mr. Grossman:** Because this information—

**Mr. Makarchuk:** You are just going to let the thing sort of happen by itself. Hopefully it will all mesh together. Is that the idea?

**Hon. Mr. Grossman:** No, that is not the idea.

**Mr. Makarchuk:** Well what is it then?

**Hon. Mr. Grossman:** Give me a chance,

**Mr. Makarchuk:** What are you going to do?

**Hon. Mr. Grossman:** Give me a chance, I will tell you.

**Mr. Makarchuk:** All right.

**Hon. Mr. Grossman:** Whatever information is available, whatever information we seek, will eventually be funnelled through the sub-committee of the cabinet on regional and economic development, and it will all come

to that committee on which these agencies, these ministries are represented and which meets regularly. There was a meeting this morning, in fact. That subject matter may have been discussed this morning, only I was not at the meeting.

**Mr. Makarchuk:** You realize then—

**Hon. Mr. Grossman:** There was a representative of my department.

**Mr. Makarchuk:** You are aware of the importance.

**Hon. Mr. Grossman:** Of course it is important.

**Mr. Makarchuk:** Now the second question—again related to this—concerns the raw material requirements which would come or emanate from the natural gas supplies that would be required by the province in terms of plastic manufacturing particularly, or associated petro-chemical industries—it would depend on natural gas.

**Hon. Mr. Grossman:** That is energy.

**Mr. Makarchuk:** What inventory have you got on that?

**Hon. Mr. Grossman:** That is energy, is it not?

**Mr. Makarchuk:** No, it is not energy, I am referring to the—

**Mr. Chairman:** Vote.

**Mr. Makarchuk:** —I am sorry, the bells are ringing.

**Hon. Mr. Grossman:** Is it a vote or is it a quorum bell?

**Mr. Jackson:** Find out if it is a quorum call or a vote.

Interjections by hon. members.

**Mr. Chairman:** Go ahead, if it is a quorum, why the Chairman—

**Hon. Mr. Grossman:** Is an inventory of raw materials available?

**Mr. Makarchuk:** Yes, raw materials.

Interjections by an hon. member.

**Mr. Makarchuk:** What inventory or what assessment have you got at the moment, or what knowledge do you have, or information do you have, to know what natural gas we



will need for our raw materials for the plastics industry particularly?

**Hon. Mr. Grossman:** No, then you are talking about energy—natural gas.

**Mr. Makarchuk:** No I am not talking about the energy. I am referring to natural gas, Mr. Minister, which is used as the raw material for plastics and other petro-chemicals, dyes and so on, as a raw material. I am not talking about the energy aspects of it.

**Hon. Mr. Grossman:** You are talking about the natural gas available.

**Mr. Makarchuk:** Well yes, the natural gas available but—

**Hon. Mr. Grossman:** Is that not energy? Maybe we are talking about the same thing in different terms. I would consider that natural gas is energy.

**Mr. Makarchuk:** But I think your people understand what I am getting at. I just wondered if they would give me an answer.

**Hon. Mr. Grossman:** Do you understand it?

**Mr. P. A. York (Trade and Industry):** If I may rephrase it: What natural gas is available to be used as a raw material in the plastics industry?

**Mr. Makarchuk:** That is right—and what the future requirements would be in the plastics industry, dye industries and associated industries that use the natural gas as a raw material.

Interjections by hon. members.

**Mr. Makarchuk:** Okay, could you give me an answer on that? Do you have any information on that?

**Mr. York:** No, I do not have any information.

**Mr. Makarchuk:** You see, Mr. Minister, again we are trying to develop secondary industries in the province. We are trying to because they produce the jobs. This is where the jobs are. Shipping gas from A to B does not produce jobs. There may be some jobs when they are building the pipeline and jobs when they are drilling the wells, but what we are interested in is secondary industry in Ontario. And one of the methods of developing secondary industry is to use our natural resources. In this case they are still Canadian resources, though not necessarily Ontario's resources, to use them—

**Mr. Chairman:** Could we adjourn then, for the vote?

**Mr. Makarchuk:** Fine.

**Hon. Mr. Grossman:** Let me settle that. If there is any method by which this can be done, if it is feasible and practical, we will do it. I want to find out the feasibility.

**Mr. Makarchuk:** You just cannot proceed in the dark all the time.

The committee recessed at 4:30 o'clock p.m. for a House division.

The committee reconvened at 4:55 o'clock p.m.

**Mr. Chairman:** Order! Mr. Makarchuk has the floor.

**Mr. Makarchuk:** Is that not a Freudian slip?

**Hon. Mr. Grossman:** I did not hear it so—

**Mr. Makarchuk:** Okay!

**Hon. Mr. Grossman:** What Freudian slip?

**Mr. Makarchuk:** We were back at, not the energy part about gas requirements, but the raw material part as a resource, and of course we were dwelling on the fact that we want to develop secondary industries in Canada, because at least this is where the jobs are. We wanted to know if you had any kind of inventory of what the requirements would be and what potential exists, in just this one area alone, in natural gas. Does your department have any kind of information on file on that?

**Hon. Mr. Grossman:** Not on the natural gas.

**Mr. Makarchuk:** Well, you know, it is a bit infuriating and frustrating, Mr. Minister. How do you plan to run your department? How do you plan to be responsible for the development of the province of Ontario?

**Hon. Mr. Grossman:** What would we do if we had? It would be a good thing to have such an inventory, but you know, what would it tell us?

**Mr. Makarchuk:** Well, it would tell us that we can use so many cubic feet of natural gas to produce certain—from which certain industries, certain petro-chemical industries can develop—

**Hon. Mr. Grossman:** I understand.

**Mr. Makarchuk:** —which will result in so many jobs.

**Hon. Mr. Grossman:** Having said that, where—

**Mr. Makarchuk:** Having said that, you do not know.

**Hon. Mr. Grossman:** Well no, suppose we know—

**Mr. Makarchuk:** Well, suppose what is happening now, Mr. Minister, is that in the first place you are in no position before the National Energy Board to tell them that you are going to require so many cubic feet of gas in Ontario because you want to produce so many jobs in Ontario or you want to continue feeding the industry that is in existence, the plastics industry. This is outside the energy part of it again, Mr. Minister. You are not in that kind of a position. You are not.

**Hon. Mr. Grossman:** You are suggesting that—

**Mr. Makarchuk:** How can you go before them with some kind of—

**Hon. Mr. Grossman:** I am asking you whether you think there is a possibility of Ontario not getting all the natural gas it needs for its industries.

**Mr. Makarchuk:** Well, this—yes, exactly. And the other point, of course, is if they are going to make decisions to sell the natural gas over the border, this will mean first that our industry will be denied access to the gas, and the second is that the industry, the petrochemical industry that is related to the gas, is going to develop somewhere else and that is not going to help—

**Hon. Mr. Grossman:** I would presume that the Minister of Energy and Resources Management and the representation which is made before the National Energy Board—whoever the representative will be, I know there is always one there, I think he is Robin Scott—that he is aware of this and the need for making sure that our interests are protected. However, just in case of the possibility that he may not be alerted to this, we will certainly do that.

**Mr. Makarchuk:** Well, Mr. Chairman, I hope the minister stops presuming these things. I mean you are responsible—

**Hon. Mr. Grossman:** I said I presumed he will.

**Mr. Makarchuk:** Well, you presume but you do not know for sure.

**Hon. Mr. Grossman:** Well, that is why I said it. Do you want me to say I know for sure if I do not?

**Mr. Makarchuk:** Yes. I want you to know whether you do know for sure or you do not know for sure.

**Hon. Mr. Grossman:** I said that.

**Mr. Makarchuk:** Well, what if you do not; and whether some other agency in government knows for sure that this is exactly what will meet, or approximately, what the requirements are.

**Hon. Mr. Grossman:** I thought my answer was a very reasonable one.

**Mr. Makarchuk:** You said you presumed something is going to happen.

**Hon. Mr. Grossman:** I said I presumed the minister knew and if he did not, I would make representations to make sure that he was aware of it.

**Mr. Makarchuk:** Well, the energy board comes under the Mines minister (Mr. Bernier) and he did not know a damn thing, if you will pardon the expression.

**Hon. Mr. Grossman:** Well, all right.

**Mr. Makarchuk:** But we—

**Hon. Mr. Grossman:** I would not say he did not know a damn thing.

**Mr. Makarchuk:** We questioned him on exactly this point and they said there was some other agency of government that was involved and you obviously—you are not aware of any other agency of government or you are not saying. You mentioned the ministerial committee. They certainly will not be dealing with it. They would be involved with the policy, but I do not imagine they would be handling the technical aspects of this thing. This would be more of a technical nature.

**Hon. Mr. Grossman:** We could instruct—

**Mr. Makarchuk:** What we want to know is whether you are going to; and if so which agency of government is going to do it?

**Hon. Mr. Grossman:** I just finished saying, Mr. Chairman—

**Mr. Makarchuk:** We are not prepared to go along with—

**Hon. Mr. Grossman:** Well, I have repeated it. It will be on Hansard.

**Mr. Makarchuk:** Well, is the minister—Okay, the minister has no answer on that at the moment.

**Hon. Mr. Grossman:** I gave an answer.

**Mr. Makarchuk:** That was not—

**Hon. Mr. Grossman:** You did not believe it was satisfactory, that is all.

**Mr. Makarchuk:** Well, naturally it is unsatisfactory. You know, on one hand, I think it is a dereliction of your responsibilities as the minister responsible for development of the province. You do not know whether you are going to have the raw materials. This is in just the one aspect of this thing and we could go into other aspects of this thing. Is the minister prepared to table today the 70 plants—this was raised last night by the leader of our party—and what he intends to do in each case of the 70 plants that are planning on shutdown and what the—

**Hon. Mr. Grossman:** No, they would not. I talked to my people and it was a promise which I should not have made because of the time element involved in getting this together. Our people were here, as you know, till after 10:30 last night. I do not think that I can promise that within the next—

**Mr. Makarchuk:** Well surely the Minister of Labour (Mr. Carton) was prepared to do it and he read his list out; and perhaps you could read out your list. I do not see that—

**Hon. Mr. Grossman:** It would be the same list.

**Mr. Makarchuk:** All right. The Minister of Labour had the details and the number of people involved, the work force involved. What we would like to know is the current status, what your department had arranged—

**Hon. Mr. Grossman:** In each one of those instances?

**Mr. Makarchuk:** Yes, in each one of those instances. What your department is doing in terms of either retraining, seeing if there is alternate manufacturing or alternate industries, what you are doing for the workers, and just what you are involved in.

**Mr. Chairman:** Do you want to answer this question?

**Hon. Mr. Grossman:** We cannot answer that one. We have the list here, but it is the same list the Minister of Labour provided. I believe we are going to have to go into the records of each one of these firms and find out precisely what action, if any, was taken in each one of the firms, by our department. That is what you are asking.

**Mr. Makarchuk:** Yes. We want to know what you are doing.

**Hon. Mr. Grossman:** All right, but that may take some time.

**Mr. Makarchuk:** Well we are prepared, you know. It is dealing with jobs for people of Ontario.

**Hon. Mr. Grossman:** I did not say you were not prepared. I said—

**Mr. Makarchuk:** Well we are: It is going to take time, you know. We are here.

**Hon. Mr. Grossman:** All right.

**Mr. Makarchuk:** We want to know what your department is doing. How effective a role are you playing, Mr. Minister, in the matter of shutdowns?

**Mr. Chairman:** Well I think the minister has answered. He said it is going to take more time, a lot longer than the estimates are going to last.

**Mr. Makarchuk:** Well, it did not take the Minister of Labour that much time. He took about three quarters of an hour.

**Hon. Mr. Grossman:** Well we have some examples of some of the firms that we have in the book here which were put there for other reasons. We could give you an example. But you want a report on each one of them. That is what you want. It is going to take some time.

**Mr. Makarchuk:** Well, surely, you could say the name of the company, Mr. Minister.

**Hon. Mr. Grossman:** The name of the company? There is a list here. I am sorry—

**Mr. Makarchuk:** All right now, you—

**Hon. Mr. Grossman:** I think you have got this list from the Minister of Labour.

**Mr. Makarchuk:** Well, it probably is the same list. It may be—



Hon. Mr. Grossman: It is the same list.

Mr. Makarchuk: I am not too sure whether the two of you talk together, but hopefully you do.

Hon. Mr. Grossman: Well we do. We talk to each other. The only thing is we are not miserable to each other.

Mr. Makarchuk: Well, all we want to know then is, in a few of the cases, how many days notice did you get in each case?

Hon. Mr. Grossman: All right, can I give you an example?

Mr. Makarchuk: An example, right.

Hon. Mr. Grossman: Abitibi Paper, Sturgeon Falls. Notice given to 80 employees on January 18, 1971. Termination because of the economic situation in the hardboard operation. Department of Labour officials were contacted a few days prior to the notice.

A labour-management committee was formed by the Canada Manpower consultative service and was operating by January 28. This committee will hold its final meeting in a week or two to prepare a report. Of the 80 persons affected by the closure all those wishing to work outside Sturgeon Falls have been placed in jobs in other localities. Only 38 persons indicated the desire for information.

Now this is a—

Mr. Makarchuk: That is very much what the Minister of Labour said.

Hon. Mr. Grossman: Well, there is nothing else that is required that we could do to help the situation.

Mr. Makarchuk: All right. Well when were you notified? The employees were notified on January 18. When were you notified?

Hon. Mr. Grossman: I mentioned that. Department of Labour officials were contacted a few days prior to the notice.

Mr. Makarchuk: Right. But as far as—when was trade and development contacted then?

Hon. Mr. Grossman: I would presume concurrent to that.

Mr. Makarchuk: About a few days before that?

Hon. Mr. Grossman: About the same time.

Mr. Makarchuk: Well, is that adequate notice?

Hon. Mr. Grossman: Well, what would you—

Mr. Makarchuk: Well surely, Mr. Minister, perhaps before a plant is lost. This is not unique, or my suggestion is not unique; it is found in other countries. There is legislation on the books that before a plant shuts down they have to give at least six months' notice or a year's notice so that there are arrangements made to retrain the workers.

Hon. Mr. Grossman: We have had this; this legislation is in effect here now.

Mr. Makarchuk: No, what you have is labour legislation. You have nothing in your department really.

Hon. Mr. Grossman: You do not need it in two departments. The Minister of Labour and I talk to each other.

Mr. Makarchuk: We are not prepared to buy the 8 weeks' or 12-weeks' maximum notice. That is the big point.

Hon. Mr. Grossman: That is another matter.

Mr. Makarchuk: Let us get back to the Westinghouse case, which we have tried to raise previously. How many weeks' notice, or what notice did you get, that they were closing down? Could you give me the date?

Hon. Mr. Grossman: The company advised the department on January 21, at a meeting in our office, of their intention to close this plant.

Mr. Makarchuk: They advised you on January 21? It seems to me the employees received the advice on January 12.

Hon. Mr. Grossman: No, February 12.

Mr. Makarchuk. February 12? So, in other words, you had two or three weeks' notice. Could we just follow that as an example? The company made certain statements, basically that it was not making any profit and that it could not sell colour television sets in Canada, or Ontario; did you just buy them at their face value or did you make any investigations to find out whether they were telling you the truth?

Hon. Mr. Grossman: We would make the investigations that we would be permitted to make by law.

There are two pages to the report, if you want it read, Mr. Chairman.

**Mr. Makarchuk:** No, I do not want the report. Could you give me a synopsis? Could you tell me just what your department did? We want to see what action your department took?

**Hon. Mr. Grossman:** Mr. Etchen, would you or Mr. Grant like to give it in a nutshell?

**Mr. L. S. Davis** (Ontario Development Corporation): The company—

**Hon. Mr. Grossman:** If you would stand up, Mr. Davis—

**Mr. Makarchuk:** Give him a mike somebody!

**Mr. L. S. Davis:** At a meeting on January 21, 1971, in Trade and Development offices the company notified us of their intention to close down the Brantford plant on February 12. They asked us to keep this information most confidential until February 12 at which time they wished to let the union, employees and press know at the same time.

**Mr. Makarchuk:** And that is all you did? You received this information and you sat on it?

**Hon. Mr. Grossman:** What would you expect us to do in a case of this nature?

**Mr. Makarchuk:** Would you not have tried to find out whether the company's reasons for closing down were valid? Would you not have tried to find out whether there may have been methods of introducing alternate manufacturing in there? What did you do? You have all sorts of options open to you to deal with these kind of situations. What did you do?

**Hon. Mr. Grossman:** Perhaps I will read this short rundown I have here from Mr. Radford:

The company advised The Department of Trade and Development on January 21 at a meeting in our office of their intentions to close this plant. Since that time we have discussed with them the reasons given by Westinghouse for their decision.

It should be kept in mind that this plant is the only supplier of Westinghouse television and stereo units in North America. Westinghouse are not in this business in the United States, and most of the Brantford output was for export to American customers. As a result of the 17-week

strike starting early December, United States customers made arrangements for other sources of supply. Furthermore, the floating of the Canadian dollar necessitated a price increase of six per cent on US sales which was not acceptable to customers there.

Canadian Westinghouse, in an effort to remain in the home entertainment market, are making arrangements with RCA to supply them with equipment. This will be made in Ontario by RCA who also employ IUE workers. Under the circumstances it would appear that this is probably the most acceptable solution that could be arranged.

Now is there anything else—

**Mr. Makarchuk:** You just accepted the company statement, and that was it. Did you look at the books?

**Hon. Mr. Grossman:** I am asking you if you think there is anything else we could have done.

**Mr. Makarchuk:** All right. The company said they were making a loss; they could not sell sets in Canada. Did you examine the books? Were they telling the truth?

**Hon. Mr. Grossman:** We have no right to examine their books.

**Mr. Makarchuk:** Do you believe you should have the right then?

**Hon. Mr. Grossman:** I do not know about that. We argued about this yesterday. You are talking about a philosophy of whether government should have the right for any reasons whatsoever to go in and look at a company's books.

**Mr. Makarchuk:** We are talking—

**Hon. Mr. Grossman:** You are suggesting we should have such a law.

**Mr. Makarchuk:** Yes, we are suggesting you should have such a law. We are also talking about the fact that there is about 300-odd people out of work; many of them had 15 and 20 years of service, and they had no place to go. It has that social implication. That is something you should be concerned about. You are also concerned of course with preserving jobs. You must also realize on the one hand that Westinghouse says it cannot make money selling colour television sets in Canada with a plant that has been in operation, with the assembly line

setup and everything else, and yet Motorola can go—and you were there, Mr. Minister, at the opening of the plant; you remember that, do you?—and they can do exactly the same thing. They can start a new factory, produce colour television sets and sell them in Canada and employ people. Surely there must be something wrong somewhere; somebody is not telling the truth.

**Hon. Mr. Grossman:** Maybe it had something to do with the 17-week strike.

**Mr. Makarchuk:** Maybe it had. Why did you not find out?

**Hon. Mr. Grossman:** They tell us that they lost some of their best customers in the US during the 17 weeks. We are advised that most of their customers were the large department stores. They just could not wait for 17 weeks.

**Mr. Peacock:** Why would the company raise prices as a result of the strike or as a result of the change in the exchange rate between the US and Canadian dollar?

**Hon. Mr. Grossman:** What we are really touching upon here—let us get back to the basic argument—

**Mr. Peacock:** Was the link made anywhere in the discussion between the company and the officials of the trade and industry division, between either the strike, the exchange rate and the price increase?

**Mr. Radford:** The price change is automatic when the rate of exchange changes.

**Mr. Peacock:** No, the price increase—

**Mr. Radford:** It is in US dollars; therefore the price increased to the American company. It costs more to buy it, automatically.

**Mr. Peacock:** But they did not actually adjust prices?

**Mr. Radford:** No.

**Mr. Makarchuk:** At the same time, Mr. Chairman, the components that go into the set, which are purchased outside of Canada, went down in value because of the increase in the Canadian dollar; so they balanced each other out. With the number of components, there may have been room for doubt; there may have been a slight variation of two or three per cent disadvantage to the company, but the point is that you did not try to find out. You just accepted at face

value what Westinghouse said and Westinghouse attests in this case—and this is what we want to get through—

**Hon. Mr. Grossman:** What you are suggesting is that we should have gone further than that and done things that we are not legally permitted to do. Again we are back on the same basic argument. If you feel we should have the legal right to do that, that is another matter. Our people do everything they possibly can to get as much information as they can as to the validity of the arguments within their legal rights. That is the basic difference.

**Mr. Makarchuk:** The question, Mr. Minister, is who is affecting the lives of the people of the Province of Ontario? Is it Westinghouse that is making the decisions that will affect their lives or is the government of Ontario? It seems that you are buying the philosophy that Westinghouse has more to say in that matter than the people of Ontario.

**Hon. Mr. Grossman:** You could extend that argument to every phase of life. We are back again to the difference in the philosophy between your party and the party in power.

**Mr. Makarchuk:** Sure we are back to this. We want to draw very clearly that there is a difference of philosophy, that we care what happens to the people of Ontario—and you do not particularly care about that.

**Hon. Mr. Grossman:** We do, and what we suggest to you is that even if that were a good policy to follow, it had better be on a national basis, because if we are going to get people to go into business in the Province of Ontario and impose upon them certain restrictions and requirements that they can be free of in other provinces, like Manitoba, then they will get all the business.

**Mr. E. W. Martel (Sudbury East):** And Saskatchewan.

**Mr. Jackson:** You are talking about a completely different situation. You are not talking about new business coming into a province.

**Hon. Mr. Grossman:** Has Manitoba done this?

**Mr. Jackson:** Yes, absolutely.

**Hon. Mr. Grossman:** Have they provided legislation that they have the right to go in and look at the books of a company to find out whether in fact they are making a profit and how much, and so on?



**Mr. Jackson:** In the case of a closedown?

**Mr. Makarchuk:** In closedowns they have gone into industries and the forest product company in The Pas is a good example, where they certainly went in and looked at the books.

**Hon. Mr. Grossman:** That was the company that went bankrupt, was it not?

**Mr. Makarchuk:** No, it did not go bankrupt.

**Hon. Mr. Grossman:** I asked you whether they had the legal right to go in, because some companies will go a lot further than other companies in co-operation with—

**Mr. Jackson:** Is the minister saying because it did not work anywhere else that Ontario should just sit back and do nothing?

**Hon. Mr. Grossman:** No, I am saying to you that we have got to make sure—

**Mr. Jackson:** Something like The Workmen's Compensation Act?

**Hon. Mr. Grossman:** No, we have to make sure that any legal impositions, any legal requirements that we place upon industry in this province are not of such a nature that it makes it more attractive for them to go to other provinces where they are not subject to the same requirements.

**Mr. Jackson:** We are talking about closedown. We are not talking about industry coming in. We are talking about industry going out.

**Mr. Chairman:** Would you let Mr. Makarchuk finish his question? There are several who want to speak.

**Mr. Makarchuk:** This is exactly what Manitoba is doing in this respect. The minister is not prepared then to move in areas—where the company or the corporations decide to close down a certain plant, you are not prepared to take really any action, outside of what they tell you and why they are closing down—you leave it at that.

**Hon. Mr. Grossman:** You do not want a meaningful discussion, do you? You keep repeating that and you know that is not what I said. I said to you this minister or anyone else in this department is not prepared to do those things which are illegal for him to do.

**Mr. Makarchuk:** Is the minister prepared then to introduce legislation?

**Hon. Mr. Grossman:** Now you are talking about something else. Why do you not say that? You want us to introduce legislation?

**Mr. Makarchuk:** Yes.

**Hon. Mr. Grossman:** I can tell you that I am prepared to recommend it to my colleagues. I will tell you as soon as the government policy has been decided in this matter we will make it public.

**Mr. Makarchuk:** You will allow us to discuss it?

**Hon. Mr. Grossman:** You are not going to be able to discuss government policies.

**Mr. Makarchuk:** Surely, Mr. Minister, if you are going to have development in the country and you have plant shutdowns it is possible that you need another kind of policy to ensure that this does not continue, and Manitoba—

**Hon. Mr. Grossman:** That may very well be.

**Mr. Makarchuk:**—and Manitoba has certainly done something and has moved in this area and there are a couple of examples. One is the Versatile Manufacturing Company, where they provided them with \$4 million—

**Mr. Bukator:** Was that taxpayers' money?

**Mr. Makarchuk:** Yes, taxpayers' money. It was loaned to them at 10 per cent.

**Hon. Mr. Grossman:** A Canadian company?

**Mr. Makarchuk:** Certainly it is a Canadian company. It employed 850 and was going to shut down—

Interjection by an hon. member.

**Mr. Makarchuk:** Let me finish this, it employed 850 workers and they provided \$6 million and they took off an equity of 25 per cent in the company. In other words, the people of Manitoba besides providing the capital have something in return, which is more than you are doing right now.

Another example is the MacKenzie Seed Company—which, incidentally, was going to be sold. It located at Brantford and it was going to be sold to an American corporation. It was a losing proposition, the provincial government moved in and took it over and it is making a profit now.

They have the Manitoba Development Corporation that owns 25 per cent of the stock of Lake Winnipeg Navigation Company and it also has a Toronto company, Cowell Industries Limited, which is building a \$1 million plant in Winnipeg to produce anti-noise equipment. Manitoba Development Corporation has loaned Cowell \$500,000 in exchange for a debenture that can be converted into a 20 per cent interest in the company.

This is an example of some of the things that other jurisdictions are doing, they are using the taxpayers' money—

**Mr. Haggerty:** To subsidize those industries.

**Mr. Makarchuk:** But the point is that the people also get the money back and the people have an interest in the industry. We could discuss that the Freshwater Fish Marketing Corporation is a Crown corporation which has been established in Manitoba. The Manitoba government is planning on going into an oil company to develop some provincial control over the oil resources.

It may be interesting for the member for Grey-Bruce to note that in order to increase growth and construction that The Manitoba Department of Public Works has adopted the idea of modular building.

Another example of what the Manitoba government does when a plant closes down is—I will read you the clipping:

The Manitoba Development Corporation announces that it has purchased the assets of the former Canadian Cannery Limited, a vegetable cannery in Morden, and will reactivate the plant this year.

Here is a situation where, I believe, Canadian Cannery is not a Canadian company but an American subsidiary—a branch plant which decided to close. The government did not sit by and just accept the thing, they decided to do something about it. I continue the clipping:

The plant was closed by Canadian Cannery prior to its 1970 operating season to concentrate on increasing the output of its eastern Canadian plant.

Modern Canneries will be operated and managed by the development corporation and a Crown corporation is being established to negotiate contracts with farmers. The operation is expected to employ some 20 permanent workers and about 120 seasonal workers during the summer

months. In addition, about 75 farmers will be involved in producing vegetables from 2,000 acres in the Morden-Winkler area.

I would compare that, Mr. Minister, to the story in today's Globe and Mail where the Plum Hollow cheese factory is trying to make a go—a similar situation—and the sort of inactivity, the complete indifference that your government has shown. This question has been raised with the Minister of Agriculture and Food (Mr. Stewart) in the House, farmers are striving to preserve what to them is a viable operation that is making a profit and you are sitting on the sidelines.

I should point out that another example is Western Flyer Coach Limited, again a Manitoba concern, where the government provided money. I do not have the amount, but it has taken a 25 per cent interest in the company. It has put its own people on the board of directors and as a result of that, the employment in one factory will go from 110 to 140 and the employment in another factory, also with the same company, will go from 105 to 140 people.

These are some examples of the things that have been done in other provinces, not as wealthy as Ontario, not as large as Ontario, they do not have the command of the resources or access to the finances that we have, but they are doing something, instead of sitting on their fannies.

**Hon. Mr. Grossman:** Are you suggesting that we have not helped any companies here to stay in business?

**Mr. Makarchuk:** Oh, you have helped them all right. We will get to that—

**Hon. Mr. Grossman:** You want us to take them over. That is what you want.

**Mr. Makarchuk:** We will get to that point.

**Hon. Mr. Grossman:** Yes, I will grant you a little at a time—25 per cent today and—

**Mr. Makarchuk:** Fine, there is 25 per cent.

The point, Mr. Chairman, is that we have people who are being thrown out of jobs in branch plants and the government is not doing anything about it in comparison to the Manitoba government, which is not content to sit blithely by and accept the face value of company decisions. All you have to do is look at the Hawker-Siddeley operation in Nova Scotia, if you are tied up ideologically, where again you had a case where private enterprise says they could not operate, they would not make a profit.

Now if they acted in the same manner as the minister is acting, they would have accepted the company's statement, the plant would have been closed and the community would have been destroyed. But this was not the case. The government has taken it over—

**Hon. Mr. Grossman:** What did they do?

**Mr. Makarchuk:** The plant is operating, it is being modernized, the people are being employed and, lo and behold, I believe they have become—

**Hon. Mr. Grossman:** You are evading the issue.

**Mr. Makarchuk:** They have made \$29 million or \$39 million profit in the last two years—the same plant. You are evading your responsibility, I may add, Mr. Minister. You are evading your responsibility to the people of Ontario. Because again, we are interested in jobs, the people are interested in jobs, and you are not doing the things that other jurisdictions are doing right here in Canada.

**Hon. Mr. Grossman:** We are doing more and better.

**Mr. Makarchuk:** Mr. Minister, if you think you are doing better, how many jobs did you create in comparison with Manitoba? How many jobs did you create in the winter works programme? How much money did you spend on that?

**Mr. Martel:** Twelve thousand cutting dead elm trees.

**Mr. Yakabuski:** What is wrong with that? You would rather have them on the streets.

**Mr. Makarchuk:** How much money are you spending in public housing, Mr. Minister, would you like to say?

**Mr. Martel:** On one project we managed to come up with that would have employed 15,000, the government would not look at it.

**Mr. Makarchuk:** Manitoba managed to provide 3,000 jobs. The province is one-seventh the size. You should be providing in that case, on a similar basis, something like 21,000 jobs, which you have not done. This is a winter works project. Mind you, it was of a greater benefit to the people because it was not this nonsense that you go around cutting trees or so on.

Could the minister indicate what he is going to spend on housing this year—this is just a comparison in terms of jobs?

**Hon. Mr. Grossman:** We have got all the information.

**Mr. Makarchuk:** The total amount—

**Hon. Mr. Grossman:** We gave you the figures, but you did not believe them anyway.

Interjections by hon. members.

**Mr. J. E. Bullbrook (Sarnia):** You are not going to get into that again. It was a disaster. You do not want to get into that again.

**Mr. Makarchuk:** I realize, I just want to—

**Mr. Chairman:** Let us stick with the vote here.

**Mr. Makarchuk:** Manitoba is spending \$38.6 million on public housing this year. In comparative figures you should be spending something in the vicinity of \$210 million on public housing this year to keep up as a project in terms of development, jobs and so on.

I do not think you are doing it. You are spending in the vicinity of \$70 or \$80 million. That is all you are doing. You are doing very little. So how can you sit there and say you are concerned about jobs?

**Mr. Martel:** You could build some houses in the Sudbury area now?

**Mr. Chairman:** We are not on vote 2206 now. You are out of order.

Interjections by hon. members.

**Hon. Mr. Grossman:** We will have to start all over again at the next one.

**Mr. Makarchuk:** Okay, I will stop for a while then if anybody wants to continue.

**Mr. Chairman:** The next speaker is Mr. Morningstar.

**Mr. Morningstar:** Mr. Chairman, I was greatly interested in what the hon. member for Welland South and the member for Niagara Falls had to say about our basic power users in the Niagara Peninsula, and of course also the pollution problems.

Just to bring you up to date Mr. Minister, I do not know whether it has come to your attention or not, the other week we had a meeting of the regional government in St. Catharines where the members of the regional government attended and members of the Hydro-Electric Power Commission were there also.



The regional government presented a very, very good outlay of what they think should be required to assist the basic power users in the Niagara Peninsula. They had a great presentation.

I guess it lasted for an hour or 90 minutes and we had a discussion afterwards. When it boiled down, the Hydro-Electric Power Commission are supposed to give their side of the story in three or four weeks, that would be around the first part of August, to go into these contracts now and the cost of power.

We agreed, and I mentioned the fact there that we should have longer term contracts—you mentioned it—at least five years or so.

In regard to our pollution problems in Welland, I live right there among these industries. I was brought up there. It has been a great nuisance over the years and I appreciate what our government, or The Department of Energy and Resources Management is doing to correct this pollution.

When I was reeve of the township of Crowland for some years we put the pressure on this industry and they moved some of their furnaces down to Beauharnois, Quebec. But now since they have this order to clean up some of the pollution by 1972, and clean it up completely by 1974, we are hoping they will do that. I know the employees are concerned that they may move to Quebec, and I have arranged a meeting with the Minister of Energy and Resources Management on Monday, at 11.30. I think you are supposed to be there yourself, along with the Minister of Labour.

I felt the three departments should be together and meet the delegation from the Union Carbide Company. I think there will be about 15 attending.

I do hope that something will be resolved there. We do not want these industries to move from Welland, or from the Niagara Peninsula. We hope the Hydro-Electric Power Commission will reconsider their stand and give at least a five-year contract for these basic power users in the Niagara Peninsula. That is all I have to say at this time.

**Hon. Mr. Grossman:** I am inclined to agree with the hon. member, Mr. Chairman, and it is one of the reasons we are going into the Hydro matter.

**Mr. Chairman:** The member for Kent (Mr. Spence); following that there are

Mr. Stokes, Mr. Yakabuski, Mr. Jackson, Mr. R. S. Smith and Mr. Peacock.

**Mr. J. P. Spence (Kent):** Mr. Chairman, under vote 2202, industrial development, where the minister sets aside \$3.526 million for industrial development here in the Province of Ontario. I understand, by reading his work book here, there were 151 industries established in the Province of Ontario in 1970.

Coming from a rural area, we have towns and villages, towns of 3,000, but very few of these industries were established in any of these towns. These towns and villages are in the process of putting in sewage systems and water, and with the high cost of taxes those people have to have some work, or some industry in there to pay for this sewage or to lighten the burden on those who are there to pay for the cost of water and sewage systems.

Mr. Minister, I understand that you are going to pay for, or make loans available to service industries this year. I do not know whether it has gone into effect or when it will go into effect. The service industries across the Province of Ontario can qualify for loans.,

We have a lot of towns and villages that are designated as slow growth areas, but the populations of these towns and villages are standing still. In fact, the people have to move away to the cities in order to get employment. I think this is a dreadful situation, that the population in the rural areas is going down and they have to move away to areas where they have problems of housing, highways and transportation. We in the rural areas, or in so many of our towns, have no industries to give people employment. I wonder what the minister's policy is.

Now, I want to go back. The first Minister of Trade and Development, Robert Macaulay, said that this policy was to have industry established in some of these towns and villages. But very few have and I was pleased to hear that you were going to make loans available to service industries which might help. I wonder what your policy is, or have you any policy which will encourage more industries to establish in rural Ontario, because we are being depopulated at the present time.

Also the agriculture industry is in a serious situation with low prices. People have to have work, and if you do not get them work there they have to be uprooted from the land and go into the cities.

I wonder if you have any plans or have given any consideration to the rural areas in this regard.

**Hon. Mr. Grossman:** The hon. member knows we announced that we would be expanding our programme of aid to service industries which are included in the Canadian owned small businesses. We have now spread this out across the province, rather than designated areas, and loans of up to \$50,000 were made available. Some service industries, that is those closely allied to manufacturing, are qualified. Some other segments of the food processing industry, machine shops, printing and allied trades, and so on. For the purpose of the programme, a small business is one in which the owner's investment does not exceed \$300,000. So we hope that this will be of great assistance to our small businesses.

**Mr. Spence:** I hope it will, Mr. Minister, because this trend has been going on for quite a long time. We are being depopulated and I do not think this is right, congesting people into great metropolitan areas while other areas are standing still, if not going backwards. I hope your programme works.

**Hon. Mr. Grossman:** My deputy, who was with the Ontario Water Resources Commission, has just sent me a note which may be of interest to you. All municipalities receive a government subsidy if the cost of water is over \$100 per annum, or for sewage if the cost is over \$120 per annum. That is for a typical household, and the average assistance is 35 per cent for where the population is under 5,000. I think this was a forward step by the government.

**Mr. Spence:** I hope it is, because we have been disappointed, Mr. Minister, up to now in rural Ontario.

**Hon. Mr. Grossman:** Well, all western countries have difficulty in keeping the people down on the farm.

**Mr. Spence:** I realize you have a problem, but this has been going on too long.

**Mr. Chairman:** Mr. Yakabuski.

**Mr. Yakabuski:** Mr. Chairman, before I pose a question to the minister, I have some comments to make on some of the things that have been discussed here this afternoon. One was the comparison with the province of Quebec on hydro rates, and so on. In my mind I cannot be in full agreement with the member for Niagara, although I did agree

with many of his statements. I think he covered the area pretty well in many things, but again I want to say it is not a fair comparison to use the Province of Quebec—cheaper hydro, etc.—because we all know that in that province there really has not been any policy in the last five, six, seven, eight years.

They have been giving special hydro rates with fixed or no assessments—causing chaotic situations—something we abolished here in this province a number of years ago. In effect, it is one of the most inefficient administrations this side of Central America. They have been many times on the verge of bankruptcy, causing great problems in that province and so often bailed out with equalization payments from Ottawa and other forms of subsidies received above and below the bargaining table.

Really it is not a fair comparison at all because they have a very flexible policy, if you want to call it that. They know that when they get into serious difficulties the central government is going to bail them out, and it has to this point at the expense of the other provinces and especially Ontario. I would not be in favour of Ontario Hydro having a sliding scale of rates or special rates for industry because I think here we have The Department of Trade and Development. I do not think we should have every branch or every department of this government participating in assistance.

If it is so that an industry does not special assistance and lower hydro rates would be part of the answer, in my mind there should not be any great difficulty in subsidizing the operation so that it could keep relatively or reasonably competitive with the other manufacturers in that field. I think this should be done. I would not want to compare it to the subsidies we pay to the farm community but perhaps some policy in subsidization could be worked out.

I was interested in the comment the member for Brantford made with regard to the so-called successes in Manitoba. For a while I thought he was the Minister of Development in that province bringing down his estimates or something! Anyway, to me the most interesting fact that he brought up was in connection with the Hawker Siddeley plant, and I think he is referring to the Dosco plant at Sydney, is he not?

**Mr. Makarchuk:** Right!

**Mr. Yakabuski:** I think on the surface this is quite a success story and a great one; there



is no question about that. But I do think you have to tell the whole story, in that production or productivity per man hour has increased to somewhere around 30 per cent since that changeover.

**Mr. Makarchuk:** It must be the efficient government operation that is doing it.

**Mr. Yakabuski:** Now just a moment. It has not increased that much, and from the message I get, or the information I have, the men are still not overworked. Their health has not been impaired. As a matter of fact, I think they are a happier lot now than they were when they were producing 30 per cent less.

**Mr. Makarchuk:** Amazing how efficient a Crown corporation can be!

**Mr. Yakabuski:** Now just a moment. If that same thing—productivity per man or per man hour—increased in the plants which the member for Niagara mentioned, or the member for anywhere else says are having difficulties, if that same type of gain in productivity took place these people would not have to come near this government or The Department of Trade and Development or anybody else for assistance.

**Mr. Makarchuk:** Where is the management function in this? What is management doing about this?

**Mr. Yakabuski:** Well anyway, I want to get to one point that has to do with another province too, Mr. Chairman, and it is this: You know in recent weeks we have heard a lot about the chicken-and-egg war and retaliation, et cetera, and I want to bring up a related point, because in the province of Quebec a farmer who wishes to do a drainage project on his farm is subsidized to a degree, like he is in this province, providing he uses drainage tile produced in the Province of Quebec.

**Mr. Morningstar:** Is that right?

**Mr. Yakabuski:** Now we talk about the chicken-and-egg war and retaliation; I do not think that this province should be getting into that. That is not the answer. But we do have, in the Ottawa Valley, a tile manufacturer of long standing who is having great difficulties because of this very thing. I do not believe he has made an application to ODC, but I think he has tried through other sources and has not been successful; and I think that a real supreme effort has to be made in these areas, in areas such as that, to help these—

**Mr. Bullbrook:** You are being ill done by.

**Mr. Yakabuski:** —manufacturers who are being adversely affected by policies in other provinces.

**Mr. Bullbrook:** You have a justifiable complaint.

**Hon. Mr. Grossman:** What would the hon. member suggest we do in a case like that, other than helping them on the basis that ODC policies encompass?

**Mr. Yakabuski:** Well I think you have to treat these cases as individual cases and perhaps not apply your standard policy. If your standard policy fits, fine; but maybe you are going to have to be a little more flexible in cases such as that.

**Hon. Mr. Grossman:** The hon. member will find that we are becoming more flexible. We would like to hear about it from that company's standpoint.

**Mr. Yakabuski:** I will make sure, Mr. Chairman, that this case is brought to the doorstep of The Department of Trade and Development at an early date.

**Mr. Chairman:** Mr. Jackson:

**Mr. Jackson:** Yes Mr. Chairman, I have a couple of points. One, the minister indicated that he would have an up-to-date report on the non-ferrous industry for northern Ontario, the study that was done. Does he have that report now?

**Hon. Mr. Grossman:** When did I indicate that?

**Mr. Martel:** Last night.

**Hon. Mr. Grossman:** What did I promise to get the member last night?

**Mr. Jackson:** An up-to-date report on the study on the liability of non-ferrous—

**Hon. Mr. Grossman:** Oh yes.

**Mr. Chairman:** Order please!

**Mr. Martel:** It is all those Tories over there.

**Hon. Mr. Grossman:** You have the report, I understand.

**Mr. Jackson:** The minister said that he would give me an up-to-date report on what his department has done following the submission of the report over a year ago.



**Hon. Mr. Grossman:** I have not had a chance to look at it since yesterday. In any case, this is being reviewed.

**Mr. Makarchuk:** The minister is not consistent. He is not doing anything about it.

**Hon. Mr. Grossman:** This is being reviewed by the regional development branch of the Treasury Department and included in the later phases of the Design for Development.

**Mr. Jackson:** If that is true, then how did the various departments, and admittedly a committee of cabinet, arrive at a plan for the Toronto-centred region and then tell us that it is co-ordinated with northeastern Ontario and northwestern Ontario, when the minister does not even know what he is going to do with northeastern Ontario? I do not see much sense in that.

In other words, they have looked at northeastern Ontario in complete isolation from the rest of the province.

**Mr. Martel:** And written it off.

**Mr. Jackson:** And that is specifically what they have done in the so-called Design for Development: Northeastern Ontario; they have written us off.

**Hon. Mr. Grossman:** They have not written it off at all.

**Mr. R. S. Smith (Nipissing):** Has the department not done anything?

**Hon. Mr. Grossman:** The member is suggesting that we are giving too many loans to eastern Ontario because they have Tory members.

**Mr. Jackson:** I am talking about northeastern Ontario.

**Mr. Bullbrook:** That was the minister's analytical study. It was not a psychic experience such as the minister is going through.

**Hon. Mr. Grossman:** I think the member is going through one now as well.

**Mr. Jackson:** The minister might not think he has written it off, but how does he tell us that we are a part of this province when he obviously does not even know what is going on in that part of the province?

**Hon. Mr. Grossman:** That is a matter of opinion.

**Mr. Jackson:** And at the same time, when he has already come up with a steadfast plan

for the Toronto-centred region that calls for the development of this region by using northern ores and resources, at the same time tell us that he has not studied the report concerned?

**Hon. Mr. Grossman:** That is what I told the member last night. I said I would reread that portion of the Design for Development and then give the member an opinion on it.

**Mr. S. Lewis (Scarborough West):** But in effect the members were talking about the report that has been in the hands of government for more than a year; surely in this department—

**Hon. Mr. Grossman:** I have not read it.

**Mr. Lewis:** Oh?

**Mr. Jackson:** Then why have you not read it?

**Hon. Mr. Grossman:** Well, you know—

Interjections by hon. members.

**Mr. Chairman:** Order, order! Mr. Jackson has the floor.

**Hon. Mr. Grossman:** I only read so many things. Our staff which studies it give me their opinions.

**Mr. Jackson:** All right, if someone in that department has read the report, what have they done about it?

**Mr. Radford:** We have made recommendations, as explained yesterday, to Falconbridge and International Nickel that the non-ferrous metals be further processed in northern Ontario, and we have not received a reply from these people as yet.

**Mr. Jackson:** Can I ask when you made these recommendations and requests?

**Mr. Radford:** About six months ago.

**Mr. Jackson:** And as yet you have not received a reply?

**Mr. Martel:** And Falconbridge plans the building of plants in Quebec.

**Mr. Radford:** That is right.

**Mr. Martel:** Right.

**Mr. Jackson:** Has your department made any representations to The Department of Mines and Northern Affairs to tighten up the restrictions on export of ores?

Mr. Radford: Yes we did, sir.

Hon. Mr. Grossman: The answer is yes.

Mr. Jackson: You have?

Mr. Radford: Yes.

Mr. Jackson: And how long ago were these representations made?

Mr. Radford: Between five and six months ago.

Mr. Jackson: And have they done anything about it? Have they actually sat down with Falconbridge and International Nickel and tried to convince them, even with a little pressure?

Hon. Mr. Grossman: Did you ask that during the estimates of the Minister of Mines and Northern Affairs (Mr. Bernier)?

Mr. Martel: Yes, we did.

Mr. Jackson: You are quite right, we did. But we think you should be involved as much as The Department of Mines and Northern Affairs.

Hon. Mr. Grossman: You are asking me whether or not the Minister of Mines and Northern Affairs has done this, are you?

Mr. Jackson: I am asking you now. Have you been involved in any of it?

Hon. Mr. Grossman: I have not been involved in that aspect.

Mr. Makarchuk: Who is involved in your government, incidentally, because the Minister of Mines—

Hon. Mr. Grossman: We must be pretty well involved because we have got a damn good province, have we not?

Mr. Makarchuk: You are not involved.

Hon. Mr. Grossman: It is a damn good province, is it not, for a government that has not been involved?

Mr. Chairman: Order, order!

Mr. Makarchuk: Well, I think maybe it grew like Topsy.

Mr. Jackson: But that aside, it is quite obvious that you have not done anything and it is quite obvious that there is really no intention of doing anything with that.

Hon. Mr. Grossman: That is entirely wrong.

Mr. Jackson: There is no pressure being put on the company to change its mind or—

Hon. Mr. Grossman: That is entirely wrong.

Mr. Jackson: Can you tell me what you are doing?

Hon. Mr. Grossman: Well of course.

Mr. Jackson: Six months ago you wrote to them and made certain requests and recommendations. International Nickel has not answered you, and in six months you have not done one thing about it. Falconbridge has now moved into Quebec.

Hon. Mr. Grossman: Mr. Radford advises me that the Minister of Mines and Northern Affairs has been in touch with them since that time.

Mr. Jackson: This department is the department that is supposed to develop and promote industry in Ontario, not The Department of Mines and Northern Affairs. Yet it seems that—

Hon. Mr. Grossman: Secondary industries!

Mr. Jackson: Yet everyone seems to be passing it off on the other department.

Hon. Mr. Grossman: We are not passing it off on any other department. We are trying to keep the house in order and make sure that whoever is supposed to do it is the one who is doing it.

Mr. Jackson: We will just let that set, because my leader is going to say a bit more in a few minutes.

Hon. Mr. Grossman: Does he look like he is ready to jump?

Mr. Jackson: Turning to Cobalt—

Mr. Lewis: I am always ready to jump.

Hon. Mr. Grossman: It looks as though it is going to be quite a few minutes before he gets up.

Mr. Jackson: The Cobalt refinery closed down just recently. It put 80-odd men out of work, eliminating a possibility of 80 persons working.

How was your department involved in finding out whether or not that company was not economically sound, whether it was a feasible programme for someone else to step in and take it over; whether we could have channelled other orders and other materials

into that refinery and kept it open? Were you involved at all in it?

**Hon. Mr. Grossman:** When was that?

**Mr. Jackson:** In March.

**Hon. Mr. Grossman:** You mean was my department involved?

**Mr. Jackson:** Was your department involved?

**Hon. Mr. Grossman:** I will have to find out. Was my department involved?

**Mr. Radford:** We were involved, sir. I am sorry I do not have the answer.

**Hon. Mr. Grossman:** Mr. Radford says they were involved. He does not have the file on that particular—

**Mr. Jackson:** Mr. Radford more than likely can tell me how they were involved, and what they actually did. Did they do a feasibility study of any kind? Did they try to channel certain orders into the refinery to make the refinery a more viable enterprise?

**Mr. Radford:** I believe, if my memory holds true, that there was a concerted effort to have other silver, et cetera, moved into that area, but it proved not to be economical. Once again, we did not carry out a feasibility study.

**Mr. Makarchuk:** Why not?

**Mr. Jackson:** When we first protested the closing of that refinery, we were told that a study had been done and it was not economically sound to keep the refinery open; that it was closing down because it was a money-losing proposition. And yet, now we are told there was no feasibility study done by this government.

If the government is able to make those kinds of statements, are we not running into the same situation that my colleague did when he read out a letter from the Minister of Justice (Mr. A. F. Lawrence) which was just a copy of a letter sent to him by the International Nickel Corporation? In other words, what we are hearing today on feasibility studies and the studies that this government does, are nothing more than copies of reports that come out of the board rooms.

**Hon. Mr. Grossman:** No, I must take exception to that, I must tell the hon. member in all honesty that the short experience I have had with my staff would lead me to disbe-

lieve that. They do not do things quite that way at all.

They are very much involved—when they do get involved, but they cannot get involved in everything, particularly as things are moving now in the economy. They are as deeply involved as they possibly can be where it appears that they can be of any help. If there does not appear to be any help in that particular situation, they move on to the next one and they do not take statements of the companies at face value except where there was no other alternative, as was pointed out.

If the company will not co-operate, there is very little they can do legally, and we are back again at the suggestion your colleague made that we should have legislation that gives us the authority to go in, seize the company's books, look at them and satisfy ourselves as to whether the story they are giving us is a correct one.

**Mr. Peacock:** At the time the minister was absent from the House there was a great deal that could have been done in that instance.

**Hon. Mr. Grossman:** No there was not. I was doing other work trying to put out the fire.

**Mr. Jackson:** This government operates the Timiskaming testing laboratories. They just recently spent \$40,000 on extensions to that laboratory. The whole life of that laboratory depends on whether or not the silver mines in the Cobalt area remain in operation over the next period of years.

Did the government do a feasibility study to see whether or not they could have extended it a little further to take up the slack, to do away with Cobalt Refinery but keep the people working and keep the ores in Ontario? Why did they not go into the refining? They have extended into everything else.

**Hon. Mr. Grossman:** Did the member ask this of the department of the Minister of Mines and Northern Affairs?

**Mr. Jackson:** This is The Department of Trade and Development. The development of our province is supposed to be the minister's responsibility!

**Hon. Mr. Grossman:** I know, but this is one of the problems, you pretty well say that we are involved in everything, and we could be.



**Mr. Jackson:** It is secondary industry.

**Hon. Mr. Grossman:** The member could argue that for a while.

**Mr. Jackson:** I can almost say the minister is not involved in anything.

**Mr. Makarchuk:** The minister is writing letters to which he receives no answers, and he calls that involvement?

**Hon. Mr. Grossman:** Mr. Chairman, I thought you were a tough chairman.

**Mr. Peacock:** That is a good point.

**Hon. Mr. Grossman:** We should be involved in Tourism. We should be involved in Agriculture. We should be involved in Mines and Northern Affairs.

**Mr. Jackson:** No, they can operate on their own.

**Hon. Mr. Grossman:** Well all right!

**Mr. Jackson:** But you should be the co-ordinating body.

**Hon. Mr. Grossman:** That is right.

**Mr. Jackson:** You are responsible for development.

**Hon. Mr. Grossman:** At some stage or other there are some responsibilities which must revolve on other departments or we would be taking over Labour as well. Of course there are some areas where a greater degree of co-ordination might be in order, but this is impractical for various reasons. Consider how ponderous that would enter the situation, the number of overlapping committees and so forth.

This is one of the problems of modern, complex government. It is very difficult and you keep reorganizing your departments. You begin to make certain combinations of departments, or persons in departments and other departments; it is a constant effort in order to make sure that this co-ordination, which is ideal, is reached at least to some extent.

We think that the question you have just asked, really, should be asked of the Minister of Mines and Northern Affairs.

**Mr. Makarchuk:** Well, we have asked him.

**Mr. Jackson:** Right at this moment we have a situation where a refinery closed. We are not going to save it unless somebody steps in and opens it up again.

It is gone. People are out of work. But there is no reason we have to ship those ores out of this province.

Why are we not right at this moment doing a feasibility study as to whether or not we can rechannel those ores into the Timiskaming testing laboratory or into another refinery somewhere in the province and keep them here? But we are not doing that!

We have said to the mining companies that they can send them out. So that is the decision of The Department of Mines and Northern Affairs. But why is the minister not involved in finding out whether we can do something in that end of it, whether we can keep them here?

Surely that decision was made in isolation! That is what it appears to be at any rate.

**Hon. Mr. Grossman:** The member makes a point. I will discuss this with the Minister of Mines and Northern Affairs and find out precisely why it is not possible for us to be involved to the extent the hon. member mentions. I think he has a good point, and I will discuss it with them.

In relation to that, I will find out whether there are other areas along these lines in which there should be greater involvement of this department. I want to find out first if in fact we will be overlapping. It is no use having two people doing the job of one person. I will find this out.

**Mr. Jackson:** Can you give us now some commitment as to what you are going to do about the study on the non-ferrous industry in northern Ontario and what pressure you are going to put on International Nickel or Falconbridge?

**Mr. Makarchuk:** We are asking for a reply.

**Hon. Mr. Grossman:** This would have to be a government decision. I am not going to give you one off the top of my head.

**Mr. Jackson:** Surely you could give us some commitment about what you are going to do in the face of Inco not answering your letters or your request.

**Hon. Mr. Grossman:** Did they not answer our request?

**Mr. Jackson:** Surely you can follow up in some way.

**Mr. Makarchuk:** Even under Eric Kierans the mail got through faster than that!

Hon. Mr. Grossman: Try and find out why they did not answer our letters.

Mr. Lewis: Are you going to take it lying down?

Hon. Mr. Grossman: No, you know better than that. I will not take it lying down. I rather imagine there must be some reason why we do not get an answer. I will certainly find out.

Mr. Jackson: Would the minister give us this commitment, that someone will get onto the phone to those two companies and ask them why they have not answered the letters and report back to us?

Hon. Mr. Grossman: Well we will check to see whether The Department of Mines and Northern Affairs had an answer to the same request. Maybe they were getting requests from both departments. I will find this out.

Mr. Jackson: And arising out of this report—

Hon. Mr. Grossman: I will find out if they did answer the government—they should answer the government—and if they did not do that I will certainly find out why. I will make it my business to let them know in fact that this is not the proper way to be a good corporate citizen.

Mr. Peacock: You could ask the former Minister of Mines (Mr. A. F. Lawrence) about it.

Mr. Jackson: Arising out of that report were several other suggestions that the government look into further aspects of the non-ferrous industry, such as cement plants and ancillary industries. What has been done to conduct feasibility studies on them? What has been done to look into whether or not they are viable industries for northeastern Ontario?

Hon. Mr. Grossman: Have you made a note of that?

Mr. Chairman: Are you through, Mr. Jackson?

Mr. Jackson: No, I am not.

Mr. Chairman: You have another two and one-half minutes.

Mr. Jackson: No, I have more than that.

Mr. Chairman: It is one and one-half minutes before 6 o'clock. We will adjourn until 8 o'clock.

Mr. Bullbrook: Let us debate for a minute and a half whether we should adjourn or not. then it resolves the problem!

Mr. Makarchuk: It being 6 of the clock—

Mr. Chairman: It is not 6 of the clock. It is one minute to 6. You are on at 8 o'clock and then Mr. Smith.

It being 6 o'clock, p.m., the committee took recess.

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# Legislature of Ontario Debates

## STANDING COMMITTEE ON SUPPLY

Estimates, Department of Trade  
and Development

Chairman: Mr. W. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Eighth Legislature

Tuesday, July 6, 1971

Evening Session

Speaker: Honourable Fred McIntosh Cass, Q.C.

Clerk: Roderick Lewis, Q.C.

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## LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JULY 6, 1971

The committee resumed at 8 o'clock, p.m.

**Mr. Chairman:** Well, let us put on a special effort, Mr. Minister.

ESTIMATES, DEPARTMENT OF  
TRADE AND DEVELOPMENT

(continued)

On votes 2202 and 2205:

**Mr. Chairman:** Mr. Jackson. The member for Timiskaming.

**Mr. D. Jackson** (Timiskaming): I would like to correct the misapprehension on the part of the member for Welland (Mr. Morningstar), who was speaking about tax relief for industry to put in pollution controls. I think he understood that I would go along with such a thing, and I must say to you right now that that is not true. When we talk about tax relief, I would very definitely go along with some tax relief on the actual pollution equipment, but when it comes to plants and buildings, that is another thing because then the burden has to be picked up by the municipal taxpayer.

**Hon. A. Grossman** (Minister of Trade and Development): There already is tax relief.

**Mr. Jackson:** Well, I agree with the minister, just as long as there is no misapprehension on the part of the Liberal Party, because I feel that there was.

**Mr. R. Haggerty** (Welland South): Always crying.

**Mr. Jackson:** I am not crying. I would just like to have it very, very straight.

**Mr. Haggerty:** You are not sure what position you are in.

**Mr. I. Deans** (Wentworth): Well, it is typical of the Liberals.

**Mr. Jackson:** I would like also—when we talked about—

Interjections by hon. members.

**Mr. Jackson:** When we talked about government involvement in management—

**Hon. Mr. Grossman:** It is not going to be a good night for order, I am afraid.

**Mr. Jackson:** The member for Renfrew South (Mr. Yakabuski), or from Barry's Bay, said that there was a 30 per cent increase in productivity and sort of intimated that it was because the man had sat on his seat before a takeover. That is not true; it is just not true. The average man works as hard as he is required to work, and as hard as he can work, and if management does not require him to work that hard and does not give him the opportunity to work that hard, then he will not produce as much as he possible can.

In the case of Dosco, when there was a 30 per cent increase in productivity, it is quite possible that management, because of its enlightened attitude, makes it much easier for that man to produce much more. And therefore I would just like to put on the record because I think he also is labouring under some misapprehensions as to what a man can produce and what he does produce under certain circumstances.

But to go back, Mr. Chairman, to what I was talking about before on the non-ferrous industry. I thought about it for two hours now, over the supper hour, and I am still not satisfied that this department is really involved in doing something to change the attitude and the position of industry in north-eastern Ontario. I have gone back and I have looked at what it says in the Toronto-centred region proposals, and it says they are going to use our raw resources to increase the industry of southern Ontario.

I have looked at what it says in our so-called proposals for development in north-eastern Ontario and it says we are going to have tourism and we are going to depend on the raw resources. They contradict one another. And for the minister to sit and say that his department is doing something, that they know what is going on and they are trying to co-ordinate or are co-ordinating with other departments, it is just not true.

If this department is going to do something to further development of industry in north-eastern Ontario, then it has to become more concerned with what is happening. It has to

become more concerned with what is happening within its own departments. I do not see that happening. And I am not satisfied with the answers I have up to this moment. It is easy enough for the minister to say, well, we are working on it; we have letters out; you know, The Department of Mines and Northern Affairs is involved, but this is the department that is charged by the people of Ontario with the responsibility for developing the province.

But you are not doing that. What you are doing is sitting back and giving us excuses. And you know, in northeastern Ontario we cannot last much longer with excuses. Every year the population increases in southern Ontario where you have immigration, and you have an item here: selective immigration. Ours is "selective emigration" because our population is dwindling year by year. I live in a town that at one time had a population of 25,000 people. At this moment it is less than 15,000. And that is true for the whole riding, and not because it is NDP now. It has been 28 years under Conservative government.

**Mr. B. Gilbertson (Algoma):** It got worse, though.

**Mr. Jackson:** You are right because this government allowed cobalt refineries to close down. It has allowed half a dozen mines to close down and has got nothing to replace them.

**Mr. J. E. Stokes (Thunder Bay):** With friends like you, the minister does not need any enemies.

**Mr. Jackson:** I am saying to the minister, and I will be brief about it, that I do not believe you; I do not believe you—

**Hon. Mr. Grossman:** You do not have to put it that way, do you?

**Mr. Jackson:** I am saying that I do not believe you. I do not believe that you are really trying to do something about development in Ontario.

**Hon. Mr. Grossman:** You mean you disagree with me?

**Mr. Haggerty:** You disagree.

**Hon. Mr. Grossman:** Well, that is very unkind, and if you were not a member of the opposition, I would feel hurt.

**Mr. Jackson:** It is nice for you to say it is very unkind. When you—

**Hon. Mr. Grossman:** But I cannot recall when the opposition agreed the government was doing a good job.

**Mr. M. Makarchuk (Brantford):** Well, I am not too sure that your own members are too happy with your party.

**Mr. Jackson:** Just for once I would hope that you would not feel hurt; that you would feel responsible, and really do something.

Interjections by hon. members.

**Hon. Mr. Grossman:** It gets me right here.

**Mr. Jackson:** Well, if it does, it should.

**Hon. Mr. Grossman:** When you say you do not believe me that hurts me. I must admit.

**Mr. Jackson:** Well, I do not believe you. And I will get that on the record as many times as possible, because I do not.

**Hon. Mr. Grossman:** It is not worthy of the hon. member.

**Mr. Jackson:** I think your department is working as hard as it can, and this is no reflection on the department. I think they are doing the job that has been given to them. As I said about Northern Affairs, Northern Affairs is doing the job that it has been given to be done, but it cannot work with the restrictions that have been put on it by the Tory government. And unless you change your whole attitude, and actually decide that this department is going to develop the industry in northern Ontario and in Ontario, then nothing is going to change.

**Hon. Mr. Grossman:** You know, the hon. member knows perfectly well that I would not be a minister of any department that was not going to go ahead and concern itself with those matters.

**Mr. Jackson:** Mr. Chairman, again I do not believe that, because as a critic for The Department of Corrections, at this moment I think that the department you left behind left a lot to be desired.

**Hon. Mr. Grossman:** Well, that is not what your official critics say.

**Mr. Jackson:** If you are bringing—

**Hon. Mr. Grossman:** That is not what your party's official critics say.

**Mr. Jackson:** If you are bringing this—I am the official critic—if you bring in the same



capacity into this department that you had in that department, then I do not hold out much hope for this one.

**Hon. Mr. Grossman:** Well, that is strange. As I say, that is not what your official critics say.

**Mr. Makarchuk:** Well, he is the official critic.

**Hon. Mr. Grossman:** Well, no. He was not at that time.

**Mr. Jackson:** Well, you have not read my last statement.

**Hon. Mr. Grossman:** Well, I will read it for you. I will get it out of the records.

**Mr. Makarchuk:** Concentrate on reading the reports.

**Hon. Mr. Grossman:** I only read the good ones.

**Mr. Jackson:** Mr. Chairman, the attitude that is being expressed by the minister right now is the attitude that has led us into the problems we are in in this province, that every time you get into a difficult situation you laugh it off.

**Hon. Mr. Grossman:** I never laughed. Did anybody hear me laugh?

**Mr. Jackson:** Well, we cannot laugh anything off.

**Hon. Mr. Grossman:** That is one thing, people have never accused me of laughing or smiling.

**Mr. Jackson:** In northern Ontario right now we are in a situation where we do not laugh any more.

**Hon. Mr. Grossman:** Well, neither do I.

**Mr. Jackson:** And you know when they talk about separation in Quebec, there are a lot of people talking about that in northern Ontario. You can push them into it.

**Mr. Haggerty:** The NDP has got that policy in Quebec, has it not?

**Mr. Jackson:** The NDP has another policy. I will tell you this—

**Mr. Chairman:** Let us get back to the estimates. These have nothing to do with the NDP in Quebec or—

**Mr. Jackson:** If you wish to correct someone, Mr. Chairman, correct the person who

mentioned Quebec. But what I am saying to you, and through you to the minister, is that this department is not going to do anything for northern Ontario and very little for north-eastern Ontario until it finally decides that it is a development department.

Take a look at some of the reports that you commissioned. Do something about them and do not wait six months after you send out a letter to follow up the damn letter. That is all I have to say.

**Mr. Chairman:** Do you want to answer any more or are you through?

**Hon. Mr. Grossman:** That was a statement, not a question.

**Mr. Jackson:** He was through many months ago.

**Mr. Chairman:** The next speaker is the member for Nipissing.

**Mr. R. S. Smith (Nipissing):** Thank you, Mr. Chairman, I have a few remarks to make in regard to northern Ontario.

**Mr. Chairman:** You all realize we are dealing with votes 2202 and 2205.

**Mr. R. S. Smith:** Right, fine. I am going to talk about the Northern Ontario Development Corporation.

**Mr. Chairman:** There are lots of people rambling.

**Mr. R. S. Smith:** Okay. I have been waiting an hour and a half. Perhaps I can say a few things that I might want to say.

**An hon. member:** Sure, go ahead.

**Mr. B. Newman (Windsor-Walkerville):** Pearls of wisdom.

**An hon. member:** Yes, come on.

**Mr. R. S. Smith:** Mr. Chairman, the thing I cannot understand about the way the department operates is how it sets up its programmes. I am referring to the EIO programme and the two new programmes that the minister announced, on—what date was it?—May 6.

It appears to me that most of these programmes are directed to areas of the province other than northern Ontario. Most of the people who are willing to develop secondary industry in northern Ontario find that they do not qualify for any provincial government support because, generally speaking,

the whole area is designated by the federal government. So there really is not much participation, or as much participation as there could be, by the provincial government in the development of northern Ontario, and specifically northeastern Ontario.

I have asked for a good number of years at these estimates each year that a programme be developed which would be supplementary to the federal programme and would work with the federal programme to provide an extra provincial incentive in those areas that are designated federally, so that the presence of the provincial government in development would actually be there.

Secondly, most of the programmes that you have established lately—particularly one, aid to small business—are very restrictive as far as their applicability to northern Ontario is concerned. I will just read from the last paragraph of your statement then:

The types of companies eligible will be broadened to include, not only manufacturing concerns, but also some segments of service industries which are closely allied to manufacturing.

The fact of the matter is that we do not have very much manufacturing in northern Ontario, so those segment of service industries which are closely allied to manufacturing do not exist in northern Ontario. Your aid-to-small-business programme is not going to work there, because the small industries that can develop there are usually service industries to the tourist industries or to the natural-resource-based industries, so they are all excluded in this programme.

**Hon. Mr. Grossman:** How about the new programme for the tourist industry?

**Mr. Jackson:** It stinks.

**Mr. R. S. Smith:** It does not help those industries that are auxiliary to the tourist industry at all.

**Mr. Stokes:** It does not help new industry.

**Mr. R. S. Smith:** It is not applicable to the tourist operator who would like to expand but who is not going to create winter activities. The whole programme is restricted so that most of the operators cannot take advantage of it.

**Hon. Mr. Grossman:** Would you be interested in knowing at this stage of your dissertation just some of the other types of industries which have been helped under the new programme in northern Ontario?

**Mr. R. S. Smith:** Under this aid to small business programme?

**Mr. A. Etchen** (Ontario Development Corporation): Yes, we have already made—

**Mr. R. S. Smith:** Mr. Chairman, I cannot hear him; I am sorry.

**Mr. Etchen:** We have already made two loans to service industries in northern Ontario in the transportation field. I think one was to the Huissou company. What was the other one?

**Mr. Stokes:** Harasyn at Pickle Lake.

**Mr. Etchen:** Then I think we also made one to Mike's Supermarket, which is to create new jobs. I think there was one that was to a geophysical survey company in Timmins.

**Mr. R. S. Smith:** Yes, Shields Geophysical.

**Mr. Etchen:** Shields Geophysical. So, I think that the programme, as far as it applies to northern Ontario, has really been very much more open-handed and the interpretation of the programme is very much more open-handed than in the other parts of the province.

I think that has been the policy of the new Northern Ontario Development Corporation which, as you know, has been made up from members from the northern areas.

**Mr. R. S. Smith:** Yes.

**Mr. Etchen:** So, I think really, in fact, in practice, that this has been the start of a different kind of programme for the north. I think that the northern board appreciates the fact that things are different.

**Mr. R. S. Smith:** Fine, this may be so, but if you read the last paragraph of your statement and you interpret that literally, you cannot give that type of assistance to perhaps even Mike's Supermarket that you mention, because it is not a segment of the service industry which is closely allied to manufacturing. Perhaps you have a different interpretation than what is actually in your statement.

**Hon. Mr. Grossman:** Actually what we are trying—

**Mr. R. S. Smith:** Pardon.

**Hon. Mr. Grossman:** What we are trying to do in our policy in ODC is attempt to give us as much freedom as possible to deal with particular situations in particular areas without opening it up so wide that we would



be so deluged with applications that it would be impossible for any department to handle.

**Mr. R. S. Smith:** In other words, what you are saying is that you are putting your own interpretation on what is the proper application and what is not.

**Hon. Mr. Grossman:** Obviously it would have to be our interpretation.

**Mr. R. S. Smith:** Pardon.

**Hon. Mr. Grossman:** Whose interpretation would it be? Obviously ours, and if you disagree with us, then you tell us.

**Mr. R. S. Smith:** I disagree. Okay, I will talk about one specific application. This person made an application for an EIO loan and forgivable portion, and after some months was finally turned down. I made inquiries if he would qualify under the aid to small business programme, and it was also indicated to me that he would not qualify there. The fact of the matter is that the person was in the bait business. I am sure the minister is perhaps aware of this application, because there have been letters to him in regard to it.

The Northern Ontario Development Corporation person involved indicated to this person that his application would be approved and, finally, after some weeks it was turned down. The person had gone ahead in the meantime and started on the small development of some \$50,000 and he had expended \$12,000 of the money, on the indication of the Northern Ontario Development Corporation representative that his application would be approved and as well on assurances from some other people, who are more closely involved with the minister than I, that his application would be approved.

He then received a letter from Northern Ontario Development Corporation telling him that he should apply to the federal programme, that he would likely be able to obtain funds there and would be approved there. He then came to me and I made application for him with him to the federal government and they told me that he could not qualify because he had already expended part of the money.

So what has happened, in effect, in this case is because of the advice that he received from NODC, he went ahead and started his programme; he was then turned down; he then went to the federal people and because of the advice he had received from NODC and had started his programme, he did not qualify federally. What had happened to this

person is that he had money invested on the assumption that he would qualify provincially. He then went ahead and applied federally, and because of the advice he had received from the provincial government he did not qualify federally. So there is an area of responsibility here for you people and Northern Ontario Development Corporation.

I wrote to the Northern Ontario Development Corporation a few weeks ago, asking them to review this situation and to see if some consideration could be given to this person in view of the fact that it had been indicated to him that he would qualify and in view of the fact that because of the advice he had received from NODC, he does not qualify federally. This is a small industry and a small amount of money.

**Hon. Mr. Grossman:** Would the hon. member like me to deal with that, Mr. Chairman?

**Mr. R. S. Smith:** Yes, that is why I am bringing it up.

**Hon. Mr. Grossman:** I am asking the Chairman—

**Mr. Chairman:** Yes, go ahead.

**Hon. Mr. Grossman:** Before I ask someone to deal with that case specifically, I think we know which one it is. The hon. member suggested that because of the advice NODC gave to this person he proceeded to spend some money. This is another dilemma in which we find ourselves. They either criticize us, as the hon. member has just said, for indicating that we were interested, in which case some people take that as meaning encouragement that they may as well go ahead, or we are criticized for not being very encouraging and having a negative approach.

I would say that the position of the people in NODC and ODC is very difficult, because whichever way they handle it they are going to be criticized unless the company gets the assistance it wants. They are criticized, as I say, for either being negative or being too positive. Having said that, I will ask Mr. Clark of NODC to deal with this particular case, without revealing the name of the people.

**Mr. A. S. Clark (Immigration Branch):** Mr. Chairman, the application for a performance loan was refused because this was not secondary manufacturing as is required. At the same time, it had not hitherto been eligible for a small business loan. However, the review which you requested was undertaken and consideration is being given currently to



a small business loan to assist that particular company.

**Mr. R. S. Smith:** I am satisfied if consideration is presently being given, but I have been waiting some time. I telephoned to the Timmins office on two occasions last week, and I was to be telephoned back by one of your people who was apparently in Toronto last week. But I never did receive the telephone call from him. The basic thing here is that you indicate that he was encouraged to go ahead.

**Hon. Mr. Grossman:** I did not say that.

**Mr. R. S. Smith:** You put a different connotation on my words than what they actually were. I think we have a difference here, maybe an honest difference. I say that he was advised that his application would be accepted.

**Hon. Mr. Grossman:** No one has the right to do that. Incidentally, Mr. Smith, I have had this brought to my attention before—

**Mr. R. S. Smith:** I am sure you have.

**Hon. Mr. Grossman:**—and when I get to the bottom of it, I find that it is not the case. I think you as a politician will appreciate the fact that there are people who come to see you, on other matters perhaps, and take from you the interpretation they want to go away with, which is usually an optimistic one.

Somebody comes and says, "Mr. Smith, can you do this for me? This is the problem I have." And you say, "Let me look into it and see what I can do." Quite often people will go away feeling that they are getting some place because the member said that he would look into this thing. They go home and tell their wives and their families, "He was pretty encouraging and I think we are going to get some place." They take from this whatever they want to take.

I have found no evidence—as a matter of fact, the evidence and the criticism are usually the other way. The criticism is usually by members who represent people or making representations on behalf of companies or people who have been refused loans, that the attitudes of NODC or ODC are negative, that they do not get any encouragement.

I presume what happened in this case is they have tried to do whatever they can for this person, and from that he has felt he can go ahead. It is a matter of value judgement.

If they tell the hon. member that they were given encouragement, they were told to go ahead—I do not know why they would do this; I cannot believe that they did. Mr. Clark says in fact there was no reason for these people to feel that they could go ahead and make any expenditures on the basis of what they were told.

**Mr. R. S. Smith:** I disagree with Mr. Clark on this—

**Hon. Mr. Grossman:** You were not there.

**Mr. R. S. Smith:**—on the basis that the consultant who was involved in this told me that he had given him that advice, and he perhaps had misdirected.

**Hon. Mr. Grossman:** I would doubt that. I will not take that. I am sorry, Mr. Smith. If a member of the staff did this, he would not be doing his job and, quite frankly, I would be in a position where I would have to discipline him. But I find that every time I go into these matters—

**Mr. R. S. Smith:** I am just pointing out to you that you have people in the field perhaps who are not well enough trained in northern Ontario, and just as you would not accept Mr. Jackson's point a few minutes ago, I do not accept yours either.

**Hon. Mr. Grossman:** That is all right. That is why you are in the opposition.

I am advised that the consultant in that case was Mr. Woods of Timmins, and Mr. Etchen tells me he is one of the more experienced people in NODC in northern Ontario.

**Mr. R. S. Smith:** I am just telling you what happened.

**Hon. Mr. Grossman:** I did not expect you to agree with me really; so I am not terribly disappointed.

**Mr. R. S. Smith:** I am just trying to help you. You could do a better job.

**Hon. Mr. Grossman:** You are trying to help me out.

**Mr. R. S. Smith:** I think you are a little paranoid, really.

**An hon. member:** Who knows, we could all be out in the next election.

**Mr. Chairman:** Let us get back to the estimates.

**Mr. R. S. Smith:** What I am indicating to you is that in the assessment—let us get back right to the start—as far as the EIO programme is concerned, all a person had to do was look at this fellow's first proposal and not have him go to a couple of thousand dollars of expense to get together his final proposal to tell him that he did not qualify under EIO. I think it was pretty apparent at the start that he did not qualify under EIO; I think if anybody had looked at it at all closely at the start it would have been apparent that he did not qualify under the EIO programme. It was wrong there. Secondary to that, most of your programmes, which you indicated in this statement of May 6, do not show that there was any input of NODC into the statement at all. In fact the aid to small business, if it was taken literally, almost disqualifies any assistance in northern Ontario. The projects that you have indicated to me that have been approved ordinarily would not fall under an interpretation of your statement of May 6.

**Hon. Mr. Grossman:** Mr. Smith, with great respect, our programme is not just designed to help northern Ontario. It is designed to help other parts of Ontario as well.

**Mr. R. S. Smith:** What I am saying is that your programme should be broad enough also to help that area.

**Hon. Mr. Grossman:** It is.

**Mr. R. S. Smith:** Well, maybe it is now, but it was not at—

**Mr. Chairman:** Would you like to finish, Mr. Smith, while the minister is looking up these questions and then he can answer some of them?

**Mr. R. S. Smith:** No, I have a couple of others.

**Mr. Chairman:** Well, he will come up with them in the end. He is looking them up. Any more questions you would like to go on with?

**Mr. R. S. Smith:** Yes, I have a few specific questions with regard to the tourist operator loans. I would like to know how many loans were made in the last fiscal year—I suppose it would be easier for you people to tell me that.

**Mr. Chairman:** Would you just like to stop there now? There are two questions to be answered. How much money has gone

into northern Ontario to help small businesses and how much money has gone into the tourist industry?

**Hon. Mr. Grossman:** Small business loans? I imagine very few small business loans have gone in since I made the announcement in May.

**Mr. R. S. Smith:** No, you just said there was only three. I am talking about the tourist operator loans. The tourist operation.

**Mr. Chairman:** Mr. Minister, will you take a note of these questions of Mr. Smith's?

**Hon. Mr. Grossman:** Tourist loans approved as of June 16—there were two loans of \$79,000. That would be a month I guess since it was announced.

**Mr. H. Peacock (Windsor West):** June 16? Harasyn Transport, was that one of them?

**Mr. R. S. Smith:** No, that is another one.

**Mr. Chairman:** Do you want to know where these are, Mr. Smith?

**Mr. Jackson:** Mr. Chairman, a point of clarification. Do these loans include standard ODC loans?

**Hon. Mr. Grossman:** No, no, these are tourist loans, period. That is what you are asking?

**Mr. R. S. Smith:** Yes, and could you give me the names of the two companies?

**Hon. Mr. Grossman:** North Star Camps Limited and Bayview Lodge.

**Mr. Makarchuk:** North Star is in Parry Sound, right?

**Hon. Mr. Grossman:** Clay Lake. Where is Clay Lake?

**Mr. R. S. Smith:** In the Kenora region.

**Hon. Mr. Grossman:** And the Bayview Lodge is in Minaki.

**Mr. R. S. Smith:** Where?

**Hon. Mr. Grossman:** Minaki.

**Mr. R. S. Smith:** Well, what I specifically asked for, under the programme prior to this one—

**Hon. Mr. Grossman:** Where is Clay Lake?

**An hon. member:** On the Wabigoon River.

Interjections by hon. members.



**Mr. R. S. Smith:** They are both in north-western Ontario.

**An hon. member:** It is big country up there.

**Mr. R. S. Smith:** Under the previous programme that you operated last year, how many tourist operator loans were made in northeastern Ontario?

**Hon. Mr. Grossman:** Northeastern Ontario? We are trying to solve the problem of the pulp and paper industry by manufacturing a lot of paper ourselves in this department.

**Mr. Makarchuk:** Do you want to borrow my list, Mr. Chairman?

**Mr. Chairman:** Have you got that information, Mr. Minister, on how many loans were made last year?

**Mr. R. S. Smith:** Apparently Mr. Makarchuk has provided me with the six loans that were approved as of December 1. There were two made in my area, one to Opechee Camp and one to the Sunbeam Hotel and Lodge.

**Hon. Mr. Grossman:** Northeastern Ontario, is that what you are asking? We have two here. Do you want the names?

**Mr. R. S. Smith:** Yes.

**Hon. Mr. Grossman:** Nipigon Lodge, Mud River; Sunbeam Hotel and Lodge, Sturgeon Falls.

**Mr. R. S. Smith:** What about Opechee Camp at Marten River?

**Hon. Mr. Grossman:** Opechee Camp, Marten River?

**Mr. R. S. Smith:** Right. Generally speaking, in Ontario the small tourist operators who are qualifying for these loans are Canadian citizens but it really bothers me that the two loans that were made in my area were both made to American citizens who are operating tourist camps in my district. A number of others who had made applications and inquiries were singularly unsuccessful. I feel this is a matter that should be looked into. Even among the small business operators, the tourist operators, in my specific area at least, the only successful ones were non-Canadian citizens, whereas many of the others, who have been established in the area for a good number of years, were unsuccessful in their attempts

to obtain some assistance through a programme that we thought was developing one of our own natural resources.

**Hon. Mr. Grossman:** Well, we are broadening the scope, as you know. The hon. member knows we are broadening the scope of the tourist loan programme—we have already done that—so that more can qualify for the loans. Whether they are Canadian or foreign, I am sure he would not want us to make the decision on this basis—if it is good for the area, it is good for the area—unless he does want to suggest the proposition that we should not help those which are non-Canadian owned.

What we are doing now is we are broadening the scope, which the hon. member knows. Resort operators located in areas where tourism is of prime importance to the local economy can now receive loans to winterize, renovate, generally upgrade and improve facilities or carry out approved antipollution measures. This has resulted in more open and freer approval of loans for tourist operators. But he is certainly not suggesting that we discriminated in favour of foreign-owned tourist operations merely because they are foreign-owned?

**Mr. R. S. Smith:** Well, I am not suggesting you discriminated in their favour, but I am suggesting that other people in the area who made inquiries and applications were either not given consideration or were turned down.

**Hon. Mr. Grossman:** Why? Certainly you are not suggesting, as I say, that because they were Canadians they were turned down?

**Mr. R. S. Smith:** Well, when you are sitting there as a tourist camp operator and you have made an application or requested information, and you are told there is no more money or some other situation like that—

**Hon. Mr. Grossman:** I do not think they were told there was no more money.

**Mr. R. S. Smith:** —and you see that the only two loans that were made in the area were to non-Canadian citizens, it makes you kind of wonder just what is going on.

**Hon. Mr. Grossman:** It makes you kind of wonder—if you are looking for persecution or you are looking to raise some kind of cry, you would say the government was in favour of foreign investment; that is what you want to say. But surely the hon. member is not suggesting that we deliberately discriminated



against those others because they were Canadian?

**Mr. R. S. Smith:** I am certainly suggesting to you that Canadian citizens should be given first consideration—

**Hon. Mr. Grossman:** I agree with you.

**Mr. R. S. Smith:** —particularly in the area of small business tourist operators.

**Hon. Mr. Grossman:** And they are.

**Mr. R. S. Smith:** They certainly are not being given first consideration in my district.

**Hon. Mr. Grossman:** Well, I say they are. There is no use pouring money into a tourist operation that you know is going to go down the drain or is not going to be able to use the money properly.

Interjections by hon. members.

**Mr. Jackson:** Most of them have been there for 20 years or more.

**Mr. R. S. Smith:** Are you suggesting—

**Mr. Peacock:** Were there other Canadian firms in the area?

**Hon. Mr. Grossman:** Not necessarily.

**Mr. Peacock:** Well then, why did they not number among the first to get the loans?

**Hon. Mr. Grossman:** Because they did not qualify on account of the operation.

**Mr. Peacock:** Why did they not qualify?

**Hon. Mr. Grossman:** Because in the view of ODC it was not a viable operation.

**Mr. Peacock:** They were not Canadians?

**Hon. Mr. Grossman:** They were not viable operations, whether they were Canadian—

Interjections by hon. members.

**Mr. Chairman:** Quiet! Quiet!

**Mr. R. S. Smith:** How many other applications were made in the general area that these two applications were approved? Can you tell me that?

**Hon. Mr. Grossman:** Do you have that information?

**Mr. Etchen:** A majority of the tourist loans were turned down because they did not fall within the terms of reference that were applicable at that time. Now, as the minister

mentioned, the terms of reference of the tourist loans have been broadened in consultation with The Department of Tourism and Information. I understand there is going to be a further meeting with The Department of Tourism and Information within the next little while to take another look to see whether the terms of reference for tourist loans can be broadened still further.

I think with regard to northern Ontario, you have to remember that the NODC really started on this tourist loan programme in January, 1971, or certainly not very long ago; so there really has not been very much chance of getting things through the pipelines, but I think—

**Mr. Stokes:** What about the million that was available before that?

**Mr. R. S. Smith:** Yes, where did the million go last year? That is what I cannot understand.

**Hon. Mr. Grossman:** I should point out, Mr. Chairman, that the programme was amended and it was broadened in March. We have been operating it only a short period of time.

**Mr. R. S. Smith:** Can you explain to me the difference between the broadened programme and what the previous programme was?

**Hon. Mr. Grossman:** Yes, we are taking more risks.

**Mr. R. S. Smith:** But everything is so general. Can you not be specific?

**Hon. Mr. Grossman:** How can you be specific when we say we are taking more risks, whereas before we would feel—

**Mr. Makarchuk:** Have you ever thought of risking on Canadians instead of Americans?

**Hon. Mr. Grossman:** That is what we are doing.

**Mr. Makarchuk:** You are going to start that? That is very commendable.

**Hon. Mr. Grossman:** We are going to get—

**Mr. Makarchuk:** That is very great that you are going to consider Canadians. We really appreciate that.

**Mr. Chairman:** Mr. Smith has got the floor. Come on!

**Hon. Mr. Grossman:** The hon. member for Brantford is a real rabble-rouser; he will do well.

**Mr. Chairman:** Order, Mr. Minister. Mr. Smith has the floor; answer his question.

Interjections by hon. members.

**Mr. Chairman:** Order! Order! Order! Let us get back on the track again now. What was your question, Mr. Smith?

**Mr. R. S. Smith:** I would like the minister to explain to me the difference between the previous programme and the present programme.

**Hon. Mr. Grossman:** Presently, for example, we are giving loans to upgrade facilities, period, whereas previously it was only for winterization. That broadens the scope considerably.

**Mr. R. S. Smith:** The establishments that were granted loans in 1970—the two I mentioned previously—did they operate this past winter, even though they had received their loans last year under the old programme?

**Mr. Chairman:** Would you mind repeating that question?

**Mr. R. S. Smith:** The purpose of your previous programme, the one that was operable last year, was to winterize to provide year-round accommodations. Did both those people who qualified for grants under this programme last year operate last winter?

**Mr. Etchen:** I personally do not know this. We cannot give the member that information now.

**Mr. Deans:** Is there no possibility of checking?

**Hon. Mr. Grossman:** Well, I know, but the member can ask us a lot of things and—

**Mr. Haggerty:** The minister should know this.

**Hon. Mr. Grossman:** I should know, but—

**An hon. member:** The minister's department is seemingly at fault.

**Hon. Mr. Grossman:** We could bring a ton of books.

Interjections by hon. members.

**Mr. Chairman:** Order!

Are there any more questions? The member for Nipissing. Come on, let us get on with it.

Interjections by hon. members.

**Mr. Chairman:** Order!

**Mr. Gilbertson:** Children!

**Mr. Chairman:** The member had his chance. If he wishes to speak again he will have to put his name down.

**Mr. R. S. Smith:** The new programme has a higher limit as well, has it not? Does the new programme have a higher limit?

Interjections by hon. members.

**Hon. Mr. Grossman:** I cannot hear the member. I cannot hear Mr. Smith.

**Mr. R. S. Smith:** Does the new programme have a higher limit?

**Hon. Mr. Grossman:** Does the new programme have a higher limit? Yes. The maximum loan is now \$75,000 as against \$50,000.

**Mr. R. S. Smith:** Is it applicable to expansion of present facilities and also applicable to new facilities?

**Hon. Mr. Grossman:** We will look at any new facilities of the moment. The big problem is to look after those who want to renovate or generally up-grade. If they have a new facility that is interested we will be glad to look at it. Do not forget, we have the same problem with respect to the tourist industry as we have in respect of other industries in that we are not going to encourage new industries to come in when we are attempting existing facilities. We are not prepared to provide competition for an industry which is already in some difficulty.

However, there are exceptions to that. There are areas where perhaps a new facility would be helpful, so this would be an exception.

**Mr. R. S. Smith:** That is right. I would submit, Mr. Minister, that you still have the same complex in regard to the tourist industry that the government has had generally over the years, and that is that it is a bad risk. Everything you have said has indicated that we really look at these people to see if they are going to be able to stay in business.

The fact of the matter is that most of these people, 90 per cent approximately are able

to stay in business, and do exist, and have existed without any government assistance. All along the attitude of the minister's department, and the government generally, has been that the tourist industry is a bad risk. The same way as the bankers have said that, the loan companies, the mortgage companies, who have always demanded really excessive interest rates, and in so doing, indicated that the tourist operators were a bad risk.

I get the feeling that that still persists within the NODC. I fully realize that you have to be careful with private funds. On the other hand, when you look around and see some of the other investments that the government has made, the tourist industry certainly has, in the long-run, proved to be a much better risk than you, or the private lenders up to this time, have certainly accepted.

**Hon. Mr. Grossman:** Well, I must disagree with that. In the first place, NODC has managed to get a very well-known tourist operator on the board of NODC, and he is obviously looking at this with, if anything, not a biased eye against tourist operators. Because of the new programme which we have announced we have a fairly large number of applications which are being processed at the present time. I am not saying they are all going to be approved, but a fairly good number of them, I am sure, will be approved.

I have been told that we have presently 25 applications from northern Ontario, three from eastern Ontario and nine from southern Ontario. This is an unusual number, and I am sure that a very large portion of them will be helped. So you can be very optimistic about it.

**Mr. Jackson:** Who is the tourist operator?

**Mr. R. S. Smith:** Well, I will be optimistic when I see the results of the applications carried out.

**Mr. Jackson:** Where is the operator from?

**Hon. Mr. Grossman:** From Minaki Lodge, Kenora, I guess.

**Mr. R. S. Smith:** I have one other question. I could never quite fathom how NODC operates. They apparently operate under the regulations, but it is very difficult to find out what the regulations are for EIO programme. Nobody really knows.

**Hon. Mr. Grossman:** There are no regulations.

**Mr. R. S. Smith:** That is the problem. It is all kind of up in the air.

**Hon. Mr. Grossman:** There is a statute but no regulations. You cannot have it both ways. You want us to be able to use our judgement and make exceptions in exceptional situations, and there are some. The hon. member, I think, just mentioned that. There are some cases on which you cannot just make a judgement by special regulation, but you have to deal with them on the basis of a particular situation. I think, in that respect, the hon. member will appreciate it is better we have some leeway if he wants us to lay down regulations. He will appreciate the fact that we will rule out some people who will not come completely within the regulations.

**Mr. Peacock:** The minister already said there were no regulations.

**Hon. Mr. Grossman:** We are prepared to stand or fall by the decisions the board makes in respect to the loans or grants.

**Mr. R. S. Smith:** Except that, you know, everybody used to say that this programme was operated out of the former Minister of Trade and Development's back pocket. It was a different decision no matter—

**Hon. Mr. Grossman:** Let me assure the member that it is not being done that way. I do not agree that it was done that way before, and I am saying it is not done that way now.

**Mr. Peacock:** That is because the minister does not know how.

**Hon. Mr. Grossman:** Very cynical! How would the member do it if he was in my place?

**Mr. Peacock:** We have been listening to you.

**Hon. Mr. Grossman:** How would the hon. member do it if he was in my place?

**Mr. Chairman:** Mr. Peacock, you are on next.

**Mr. Peacock:** Good.

**Mr. R. S. Smith:** The minister indicates that he does not think there should be regulations to govern the activities of either—

**Hon. Mr. Grossman:** In this particular type of operation.

**Mr. R. S. Smith:** —either ODC or NODC.



**Hon. Mr. Grossman:** That is right.

**Mr. R. S. Smith:** Well, can the minister tell me, as far as the decisions that are made by NODC, are they appreciably different to those made by ODC?

**Hon. Mr. Grossman:** They are generally the same, except taking into consideration that in the northern part of the province there are special conditions existing. That is why the board was set up. NODC was set up to deal especially with the northern situation. Otherwise there would be no point in setting up NODC.

**Mr. Jackson:** In the interpretation, the minister said there was no point. There really is not any point the way he is operating it.

**Hon. Mr. Grossman:** Are you suggesting that we should not have set up NODC?

**Mr. Jackson:** I am suggesting that you change it and make it work.

**Mr. Chairman:** The minister is answering Mr. Smith's question. Do not take any notice of anybody in that back bench when answering a question until they speak.

**An hon. member:** Mr. Chairman, you tell them.

**Mr. Chairman:** We will stick with Mr. Smith for the time being.

**Mr. R. S. Smith:** In the interpretation of the programme by NODC, do they make the prime decision, or is that decision in any way controlled—

**An hon. member:** They are only heckling him, Mr. Minister.

**Mr. R. S. Smith:** —or rubber-stamped or any other way by ODC?

**Hon. Mr. Grossman:** Their decisions are independent of ODC.

**Mr. R. S. Smith:** Is there a review of their decisions by anyone?

**Hon. Mr. Grossman:** Only by the cabinet and Treasury Board.

**Mr. R. S. Smith:** What is the reason for the liaison officer between ODC and NODC?

**Hon. Mr. Grossman:** What liaison officer is the member referring to? I will ask Mr. Etchen to reply to the question.

**Mr. Etchen:** It has two major functions. The first one is to be exactly what he is described to be, a liaison officer. He looks after northern people who come down to Toronto on business. They very often make inquiries here. The second major thing is that on the NODC we do not duplicate the legal staff. It is only a small operation and it would simply be a duplicating effort if we had the same legal staff and the same advisory staff. The board itself, the NODC board, gets presentations, makes its own decisions. The man in Toronto is the liaison for the administration between the two.

**Mr. R. S. Smith:** Has the NODC made recommendations to you in regard to a set of programmes that might be established for that area, different from what you have now established under ODC?

**Mr. Etchen:** It does not make recommendations to me. It makes recommendations to the minister.

**Mr. R. S. Smith:** Yes, but I am asking—

**Hon. Mr. Grossman:** Would you ask that question again, Mr. Smith?

**Mr. R. S. Smith:** I thought you were talking about it.

**Hon. Mr. Grossman:** I did not understand the question and I did not understand the answer. Maybe I am obtuse tonight, I do not know.

**Mr. R. S. Smith:** Has NODC made recommendations to you, as the minister, for the establishment of different programmes from those presently used by ODC?

**Hon. Mr. Grossman:** The question is have they made any recommendations to me, especially for different programmes? I cannot recall. They may have. Do you recall anything on this?

**Mr. Peacock:** Why can you not recall?

**Hon. Mr. Grossman:** Now, look, it is a wide-ranging department! If you suggest that I can recall everything that comes across my desk—if it was anybody else but Mr. Peacock I would suggest they do not know.

Interjections by hon. members.

**Mr. Peacock:** Every day when he has been absent from the House, we have assumed he has been closeted and taking advice on these estimates.

**Mr. D. A. Evans** (Simcoe Centre): Mr. Chairman, the questions are coming from the member for Nipissing and I object to these fellows over here carrying on again—

**Mr. Makarchuk**: You can bloody well object all you like and we could not care less.

**An hon. member**: You are damn right. You get in there and you should not be in there.

**Mr. Evans**: You sit over there and you just laugh and snarl at everything.

**Hon. Mr. Grossman**: I do not recall any recommendations made to me by NODC to date for a change in the programmes. If they have, then it has not reached me yet. If it has reached me, I cannot recall.

**Mr. R. S. Smith**: Part of the problem, perhaps, is that you do not even have a representative of NODC here tonight, you know, and this is—

**Hon. Mr. Grossman**: Mr. Clark here is working on—

**Mr. R. S. Smith**: No, he is a liaison officer and that is different. He is not on the NODC board as such, you know, I think that this is perhaps indicative of where NODC stands.

**Hon. Mr. Grossman**: I asked the question. We could not reach anyone in sufficient time when we knew our estimates were coming on. Now whether we should make a telephone call to someone from NODC to come down here—if you think that is important enough, we would be glad to get him down here but, really, I think by and large we could answer the questions.

**Mr. Peacock**: You have not answered anything—

**Hon. Mr. Grossman**: That is your opinion. The hon. member has not asked a question; he has made statements.

**Mr. Peacock**: On a point of order, did the minister say he was not sure when his estimates were coming on?

**Hon. Mr. Grossman**: That is right.

**Mr. Peacock**: We were informed last Tuesday at 6 o'clock that the minister's estimates would be undertaken at 8 o'clock on Tuesday of last week.

**Hon. Mr. Grossman**: Were they undertaken at 8 o'clock?

**Mr. Peacock**: No, they were not, but we were told that the minister—

**Hon. Mr. Grossman**: I do not know if that is of any interest.

**Mr. Peacock**: —we were told that the minister was going to proceed at 8 o'clock.

**Hon. Mr. Grossman**: You can do better than that.

**Mr. Peacock**: We would not have done as well if he had gone on at 8 o'clock last Tuesday.

Interjections by hon. members.

**Mr. Chairman**: Order, please! If you are interested in getting some information, you would keep quiet for a little while, just for a little while. If you are not interested in information on these estimates, why you will just keep blabbering away the way you are now.

**Mr. Makarchuk**: Mr. Chairman, either way we are not getting anything.

**Mr. Chairman**: I agree with you. You have got to ask some intelligent questions before you are going to get some intelligent answers.

**Mr. Peacock**: We have to be more patient.

**Mr. Chairman**: And Mr. Smith is trying to ask some intelligent questions.

**Mr. Makarchuk**: Right, and he is not getting any answers. You are right, too, Mr. Chairman.

**Mr. R. S. Smith**: The point I am trying to make, you know—it is kind of going around and about but—

**Mr. Evans**: Start over again.

**Mr. R. S. Smith**: No, I would not dare start over again because you fellows on both sides here are more interested in politics than you are in people.

**Mr. B. Newman**: That is right.

**Mr. Peacock**: Score as well as you can!

**Mr. Chairman**: I would just like to inform the members that time is going on. If you are interested in getting some information on these estimates, time is going by and when it is all up, it is all up. That is all there is to it. There are about 22 hours left—we have got 16 hours left I am

informed. Now, if you want to waste it, go ahead and waste it.

**Mr. Makarchuk:** We can continue here all summer.

**Mr. Chairman:** I can sit here and I am sure the minister can sit here and if you want to heckle, why, just go ahead and heckle away.

**Mr. Makarchuk:** We are going to find out where the jobs are coming from.

**Hon. Mr. Grossman:** One thing, Mr. Chairman, I might suggest, is there are a few plants which are awaiting my visit to those plants in order to try to solve some problems. You know, I could stay here all summer, too, but, you know—

**Mr. R. S. Smith:** We understand the need for you to be elsewhere.

**Hon. Mr. Grossman:** I know. I am so indispensable.

**Mr. R. S. Smith:** The point I am trying to make is this—that it is apparent that the NODC does not have the independence that it requires in order to do a full job in northern Ontario. I think that NODC has to be allowed to develop its own programmes for the specific needs of the area. It is excluded from doing that by the legislation.

**Hon. Mr. Grossman:** How is that? There is the legislation. Do you have the legislation before you?

**Mr. R. S. Smith:** I do not have the bill here, but we discussed this when NODC was set up last year.

**Hon. Mr. Grossman:** In what way do you feel that they are not independent enough?

**Mr. Peacock:** There is a statute—

**Hon. Mr. Grossman:** I am answering—the Chairman insists that I only pay attention to Mr. Smith at this moment.

**Mr. Peacock:** Well, okay.

**Mr. R. S. Smith:** What they are doing actually is administering programmes that are developed differently for ODC, and those programmes are just being applied by NODC to northern Ontario.

There may be some difference in the interpretation of the programme in northern Ontario but it does not mean that the

programmes are specifically set out for that area. I would like to remind the minister that some of his fellow cabinet members have indicated that NODC should have the independence to develop its own programmes with the funds provided by the government.

**Hon. Mr. Grossman:** Will the hon. member explain to me in which way they do not have this independence? They were supposed to have their independence. They have their independence by the legislation. Certainly, as far as the department is concerned, as far as I am concerned, they have their independence.

**Mr. R. S. Smith:** Can they independently set up programmes that are different from those—

**Hon. Mr. Grossman:** No, the government sets up the programmes.

**Mr. R. S. Smith:** Okay, that is the point.

**Hon. Mr. Grossman:** ODC cannot set up its own programmes either. It must get the approval of the minister who must get the approval of his cabinet colleagues.

**Mr. R. S. Smith:** What you have done since NODC was established is take the programmes that ODC has, handed them to NODC and said, "Administer these programmes in northern Ontario."

**Hon. Mr. Grossman:** It has just got under way. You have to start somewhere. If NODC has any recommendations to make—

**Mr. Makarchuk:** After 28 years?

**Hon. Mr. Grossman:** —they will be very gladly received. We have certainly done everything possible to encourage them to bring in recommendations and I am sure we will be getting them from time to time.

**Mr. R. S. Smith:** You told me that you have not had any that you know of. You have not discussed it with them?

**Hon. Mr. Grossman:** My goodness, they have just been formed!

**Mr. R. S. Smith:** No, the bill went through a year ago last week.

**Hon. Mr. Grossman:** It got started in the fall of last year.

**Mr. R. S. Smith:** The bill was passed in the—



**Hon. Mr. Grossman:** I know, but the NODC was set up really, it was put into effect, in the fall of last year.

**Mr. Makarchuk:** A slow reaction.

**Hon. Mr. Grossman:** Now any recommendations they have to make, just the same—

**Mr. Makarchuk:** Any slower and they would be dead.

**Hon. Mr. Grossman:** Do you want to take this chair?

**Mr. Makarchuk:** Yes.

**Hon. Mr. Grossman:** Well, take over! Perhaps the Chairman will let you take over—you have had most of the meeting so far.

**Mr. Chairman:** I will tell you one thing, Mr. Minister, and that is I will not consent to the member for Brantford taking over as the minister!

**Hon. Mr. Grossman:** I hope he never does. I will be the most miserable man in the world. All I can tell the hon. member is that there is no reason why NODC should not make any recommendations it wants to. As a matter of fact, any branch of this department can make any recommendation it wants. They are given very serious consideration.

Certainly, NODC have been asked to give us any recommendations they have or that they have in mind. I am sure they will be coming forward with recommendations. They have been making, as a matter of fact, different kinds of loans from the ones ODC has been making. We have agreed to them in some instances because of the fact that there are special circumstances in northern Ontario compared to those which exist in the balance of the province.

**Mr. R. S. Smith:** In other words the loans that you are making in northern Ontario would not necessarily qualify under ODC?

**Hon. Mr. Grossman:** That is right.

**Mr. R. S. Smith:** Here again, we get into the problem of the people not knowing what does apply and what does not apply, you see. You say you do not want to be tied down by regulation, but on the other hand if you do not have some type of regulation or some type of statement that is separate for the application of the programmes in northern Ontario, nobody knows what you

are doing, and nobody knows what to apply for. It is a question of communication.

**Hon. Mr. Grossman:** I have explained to the hon. member that in my view—and I am sure in retrospect if he thinks it over—it would be inadvisable to have laid down chapter and verse in regulations how someone qualifies for assistance under NODC or ODC. There are bound to be cases which are just beyond the regulations which should be assisted. It would be better for ODC and NODC to have some room in which to manoeuvre so that they can assist someone who does not come within the strict terms of any regulations which may be set down.

I am sure he will find that it would be harmful to those people who need some assistance if we laid down chapter and verse regulations. In fact, I do not think there are any development corporations which do have such regulations. I may be wrong, but I do not think so.

**Mr. R. S. Smith:** I think the federal programme is pretty well laid down. They have regulations that you can read and follow.

**Mr. Makarchuk:** Have you seen the Manitoba—

**Hon. Mr. Grossman:** Now tell us about the Manitoba Act which does not even allow the minister to tell the members of the Legislature which loans have been granted, let alone those which have been refused.

**Mr. Makarchuk:** On the contrary, that is absolutely wrong, Mr. Chairman.

**Mr. R. S. Smith:** Mr. Chairman, I just have a couple more points and then—

**Mr. Makarchuk:** He is again misleading the House.

**Mr. Chairman:** Mr. Smith has the floor.

**Mr. R. S. Smith:** I just have two more points. It is connected with that. Okay, I will accept the fact that you do not want to be tied to strict regulations but when you make a statement on a programme, perhaps you could add another paragraph? You could say in those areas covered by NODC the qualifications for application will be more broadly applied.

Perhaps you could say in your statement that segments of service industries other than those which are allied to manufacturing could qualify. The three loans that you have

indicated to me tonight that have been made under this programme—aid to small businesses—since it was initiated two months ago certainly would not apply under any kind of qualification of this statement here.

If those loans are available I do not know why the people cannot be told they are available. Why should Mike's Grocery or whatever it is in Timmins be able to apply and get a loan when a fellow in a similar situation in some other area would read a statement like this and say, "Obviously, I do not qualify"?

That is the point. It is a question of communication so that people will know. Either you want all people to qualify on basically the same criteria, or you want to operate the programme, I must say again, out of your back pocket for different people.

Hon. Mr. Grossman: Are you referring specifically to northern Ontario?

Mr. R. S. Smith: Yes.

Hon. Mr. Grossman: They are still feeling their way. We are hoping that they will, with their experience, come up with more recommendations which we can use as a guideline for the granting of loans.

Mr. R. S. Smith: Okay, you have made three loans now under the aid to small businesses programme, right? Why can you not make a statement that this type of business will qualify?

Hon. Mr. Grossman: Which type?

Mr. R. S. Smith: The three you have made. All you have got to do is look at the three you have made and they do not qualify under this statement.

Hon. Mr. Grossman: Our problem, of course, is that if you open this up too wide you will be getting so many applications you will never be able to keep it under control.

Mr. R. S. Smith: You want to keep it under control, do you?

Hon. Mr. Grossman: No, what we are trying to do—within reason, we can handle sufficient of these which need assistance without getting everyone to apply for loans, which would mean that we would not be able to handle those who have any possible chance to qualify. It is a difficult task.

Mr. R. S. Smith: It appears to me, you know, that you are going to say that with

some people, even though the criteria on both applications might be the same, one will qualify and one will not. You know, I do not think you can operate a government programme like that. Everybody has got to have the same opportunity and everybody has got to be given the knowledge so that they know—

Hon. Mr. Grossman: Is the hon. member suggesting that we advertise?

Mr. R. S. Smith: I am suggesting that you make a public statement and make it available in your brochure.

Hon. Mr. Grossman: Do you think we should advertise the public statement we make?

Mr. R. S. Smith: Put it in your brochure.

Hon. Mr. Grossman: I am glad to hear you say that because it is something we have been planning on doing. I am glad to have your approval of that. Now I know we will not be criticized when we advertise that. Is it all right if I put my name and the Prime Minister's name in those ads?

Mr. G. Bukator (Niagara Falls): Just as long as you do not put your picture on it!

Hon. Mr. Grossman: I will not put my picture on it.

Mr. R. S. Smith: I am sure the people of northern Ontario will be appreciative of your facetious attitude.

Hon. Mr. Grossman: One of my opponents did that once—

Mr. R. S. Smith: Did you hear what I said?

Hon. Mr. Grossman: Pardon? I am sorry.

Mr. R. S. Smith: I am sure the people in northern Ontario who are looking to this programme for assistance will be very appreciative of your facetious attitude because I just—

Hon. Mr. Grossman: I have no attitude like that. We are very glad because it is something we had in mind and we were wondering how it would be received. We are glad to know that both opposition parties think it would be a good thing to do.

Mr. R. S. Smith: To let the people know.

Hon. Mr. Grossman: I am glad I brought this out.

**Mr. Chairman:** Any more questions, Mr. Smith?

**Mr. R. S. Smith:** No, there is not much point.

**Mr. Chairman:** I would like to read out the list so you will know where you stand. Mr. Peacock, Windsor West; Mr. B. Newman, Windsor-Walkerville; Mr. Makarchuk, Brantford; Mr. Stokes, Thunder Bay; Mr. W. Newman, Ontario South; Mr. Deans, Wentworth; Mr. Gilbertson, Algoma; Mr. Jackson, Timiskaming; Mr. Evans, Simcoe Centre; Mr. G. E. Smith, Simcoe East.

**Mr. Bukator:** Good night, Mr. Minister.

**Hon. Mr. Grossman:** Good night. So far you have made one of the best contributions. You may as well quit while you are ahead.

**Mr. Peacock:** Mr. Chairman, how much time has the minister spent in preparation of his answers to questions before this committee on the estimates of The Department of Trade and Development?

**Hon. Mr. Grossman:** You mean how much time have I spent in preparation for them? Very little. As a matter of fact, the hon. member suggested that it was announced on when was it—Tuesday?

**Mr. Peacock:** Tuesday, at 20 minutes to 6 o'clock.

**Hon. Mr. Grossman:** We have 14 foreign offices; I have visited very few of them because of the necessity to attend to business here. There has been some objection from my staff and pressure from my staff; pressure from foreign businessmen. I have cancelled one trade mission which I really should not have—

**Mr. Chairman:** I do not think you have to go any further, Mr. Minister.

**Hon. Mr. Grossman:** I just want to tell the hon. member that on Wednesday, I went to Chicago—

**Mr. Peacock:** Let him go as far as he likes to explain why he cannot answer some of the questions that are asked.

**Hon. Mr. Grossman:** I spent my holiday weekend in Chicago at our Chicago office in order to acquaint myself with the operations there. I have enough confidence in my staff to know that when we got to estimates—the amount I could learn about my department in the few short weeks I

have been in it was minimal anyway, in respect of handling estimates so I depend on them. I do the best I can with what I know.

I still have the job of attempting to visit plants, too, which I have to in order to put out the fires when they are suggesting lay-offs. Tomorrow morning, I have to do the same thing.

I was wondering if there was going to be a meeting of this committee? If there is, I will not be able to be here because something more important than that is to try to avoid a huge layoff in a plant. I am not suggesting I want your sympathy, I do not really mean that. It is a difficult task attempting to do the work of this department at a time when the economy is going down; and attempting to do the job in order to hold the line to keep more people from being without work.

**Mr. Chairman:** Mr. Peacock, before you go on, just to put the minister's mind at ease, there will be no meeting of this committee tomorrow.

**Mr. Peacock:** That will put all our minds at ease, Mr. Chairman.

Is the minister visiting the offices of the de Havilland Aircraft of Canada Limited tomorrow morning?

**Hon. Mr. Grossman:** I may be.

**Mr. Peacock:** What number of people are to be laid off there?

**Hon. Mr. Grossman:** There are going to be a number of people laid off over a period of the next six months, apparently.

**Mr. Peacock:** Has the minister been advised by the company of the number of persons being laid off and the reason for the reduction of manpower at de Havilland?

**Hon. Mr. Grossman:** That is what I spent my dinner hour doing, meeting with these people. You see how I sacrifice myself?

**Mr. Peacock:** Yes. Going back to the questions of the member for Nipissing, tell us the numbers of the Ontario regulations made by cabinet under The Department of Trade and Development Act, 1968, with respect to the Equalization of Industrial Opportunity programme.

**Hon. Mr. Grossman:** I will get that. I hope you do not expect me to have that at my finger tips?



**Mr. Peacock:** The minister does not know the numbers of the—

**Hon. Mr. Grossman:** Do you expect me to know that off the top of my head?

**Mr. Peacock:** No, but I suspect, Mr. Chairman, that there are no regulations made under—

**Hon. Mr. Grossman:** Regulations? I am sorry. I thought you meant the numbers of orders-in-council approving of the—

**Mr. Peacock:** Yes, orders-in-council.

**Hon. Mr. Grossman:** Is that what you are referring to?

**Mr. Peacock:** Orders-in-council? No, because orders-in-council are the vehicle by which loans are approved under the Equalization of Industrial Opportunity programme.

**Hon. Mr. Grossman:** There are no regulations.

**Mr. Peacock:** I am seeking from the minister, as this committee and the House sought from the predecessor of this minister, for those regulations referred to by the member for Nipissing that define the grounds on which certain firms qualify for EIO loans and others do not, and the member for Nipissing has been exploring this question—

**Hon. Mr. Grossman:** There are no regulations.

**Mr. Peacock:** There are no regulations since that statute was passed in 1968—

**Hon. Mr. Grossman:** There are guidelines but there are no regulations.

**Mr. Peacock:** Are there any regulations made under The Northern Ontario Development Corporation Act that was enacted by the Legislature last session?

**Hon. Mr. Grossman:** No, there are not.

**Mr. Peacock:** So the minister insists upon the flexibility that he has spoken of in answer to the member for Nipissing?

**Hon. Mr. Grossman:** I would say that that is the wiser course.

**Mr. Peacock:** Why is it that the minister will not recognize the equity that all business corporations in the Province of Ontario, whether they are incorporated or not, have in knowing the grounds on which a success-

ful application may be made to the Ontario Development Corporation for a forgiveness loan or a performance loan, as it has since come to be called?

**Hon. Mr. Grossman:** We have brochures that go out to businessmen to explain what is available, and we have just talked about the advisability of advertising our programmes, which we plan on doing, to carry on an aggressive campaign in this area. There are sometimes people who apply and who, for various reasons which have become apparent to the corporation, should not be entrusted with public funds, and because the history is such that we have no confidence in their ability to carry on a viable business, it would be better if we were able to use our judgement in that respect.

Now I appreciate that that gives a certain amount of power to the corporation and to the department and the minister and the government, which could be abused, and it would be better if we were not in such a position, except that for practical purposes it turns out that in this case, in view of the fact that we have to be answerable to the Legislature, as we should be, it is better that we have this flexibility.

**Mr. Peacock:** Mr. Chairman, since the Legislature has passed The Department of Trade and Development Act, 1968, where in that statute is the Ontario Development Corporation empowered to rule that an applicant may or may not be judged to operate profitably in a proposed location, having regard to all factors, such as the availability of labour and local services, transportation, etcetera.

Where in The Department of Trade and Development Act is there statutory authority for the Ontario Development Corporation to rule whether one corporation, or incorporated business firm as against another, in the judgement of the corporation can operate profitably in the location in which it is carrying on business?

**Hon. Mr. Grossman:** I presume you have the Act in front of you. I have NODC and I think it reads the same as ODC: "Notwithstanding any other Act or corporation for the objects set out in section 5." Is that ODC?

**Mr. Peacock:** Yes.

**Hon. Mr. Grossman:** "Notwithstanding any other Act or corporation for the objects set

out in section 7." Do you want me to read that section out, section 7?

**Mr. Peacock:** Yes, yes.

**Hon. Mr. Grossman:** Section 7 reads:

The objects of the corporation are to encourage and assist in the development and the diversification of industry in Ontario including, without limiting the generality of the foregoing;

(a) the provision of financial assistance by loan guarantee or purchase of shares or other securities;

(a) the provision of sites, equipment, premises, facilities and services, and

(b) the provision of technical business and financial information, advice, training and guidance to persons or organizations, whether or not incidental to the provision of financial assistance.

8. (a) Notwithstanding any other Act or corporation for the objects set out in section 7, possesses power to lend money to a person carrying on any industrial undertaking in Ontario, where, in the opinion of the board, the funds and the circumstances are not available elsewhere on reasonable terms;

(b) guarantee the payment of any loan or any part thereof, and all or any part of the interest thereon, made by a lender to a person carrying on any industrial undertaking in Ontario, or in the opinion of the board, the funds and the circumstances are not available elsewhere in reasonable terms;

(c) lend money to a person establishing or substantially expanding any industrial undertaking in an area of equalization of industrial opportunity, approved under section 5 of The Department of Trade and Development Act, 1968, and forgive repayment of the loan in whole or in part;

(d) take security by way of mortgage charge, hypothecation or assignment of, or any real or personal property or otherwise;

Do you want me to go on?

**Mr. Peacock:** Surely.

**Hon. Mr. Grossman:** It continues:

(e) buy, hold, own, hire, maintain, control, take, lease, sell or assign, exchange, transfer, manage, improve, develop or otherwise deal in and dispose of, either absolutely or by way of security, or otherwise, any property, real and personal,

movable and immovable, and assets generally;

(f) buy, acquire, accept and hold, exchange, transfer, assign, sell and dispose of, or deal in, either absolutely or by way of security or otherwise, all kinds of bills, notes and negotiable instruments, commercial paper, conditional sales, agreements, lien notes, hire purchase agreements, chattel mortgages, bills of lading, bills of sale, warehouse receipts, guarantees, choses in action, or instruments of assignment, conveyance mortgage pledge, charge or hypothecation, and shares, stocks, bonds, debentures, debenture stocks, securities, obligations, agreements, and evidence of debt; do all things that a corporation with share capital may do by virtue of clauses a, b, c, d, e, f, h, i, j, l, m and all subsection 1.

**Mr. Peacock:** Right. Now, which of those powers, Mr. Chairman, includes the power on the part of the Ontario Development Corporation to be satisfied that the applicant can profitably, in the proposed location—having regard to all factors such as the availability of labour, local services, transportation, etcetera—carry out the terms of the loan?

**Hon. Mr. Grossman:** What is section 5?

**Mr. Peacock:** Which of the sections just read by the minister empowers the Ontario Development Corporation to be required to be satisfied by the applicant that the applicant can operate profitably in a proposed location, having regard to all factors, such as the availability of labour, local services, and transportation?

**Hon. Mr. Grossman:** Mr. Bros is the legal counsel of the department.

**Mr. Peacock:** Can he find any among those powers enumerated by the minister in the Act that cover that determination on the part of ODC?

**Mr. Bros** (Ontario Development Corporation): Well, Mr. Chairman, this is a statute which does make it obligatory on the corporation, both NODC or ODC, to lend money; it is of a discretionary nature. It says that the corporation or corporations may lend money.

**Mr. Peacock:** But this brochure, Mr. Minister, "Programmes for Prosperity," signed by the Ontario Development Corporation, and titled on page — the pages are not

numbered—"Companies applying for forgivable loans must—" and the "must" is in italics, and the first point is:

Satisfy the corporation that they can operate profitably in the proposed location, having regard to all factors such as the availability of labour, local services, transportation, etcetera.

That is point 1. Where in the statutory authority does ODC require the applicant to perform in a matter satisfactory to the corporation in respect of profitable operations in the proposed locations?

**Hon. Mr. Grossman:** I will ask the ODC on that one.

**Mr. Peacock:** Right. There is nothing in the statute that the minister has cited that empowers the corporation—

**Mr. Bros:** Mr. Chairman, there is a subsection in the Act—

**Mr. Peacock:** —to require that evidence of the applicant.

**Mr. Bros:** There is a subsection in the Act, Mr. Chairman, which states that the corporation has all the necessary ancillary or incidental powers for the purposes of carrying out its objects. Its objects are to assist and develop industry on some sound financial basis, mainly by the imposition as a matter of policy of certain guidelines that are required in assisting an industrial undertaking.

**Mr. Peacock:** Where in the statute is the Ontario Development Corporation empowered to require that the applicant be organized on a business-like basis, having regard to the financial structure, the potential earnings and management of the applicant? That is point 2 of the Ontario Development Corporation's publication entitled, "Programmes for Prosperity" issued to potential applicants.

**Mr. Bros:** Well, again—

**Hon. Mr. Grossman:** That is a matter of policy.

**Mr. Bros:** Again, Mr. Chairman, clause 8, subsection (g) provides that the corporation has the power to do all such other things as are incidental or conducive to the attainment of the objects of the corporation. That is a wide ancillary clause, Mr. Chairman, which I think covers the point being raised by Mr. Peacock.

**Mr. Peacock:** So the first two points I raised, Mr. Chairman, are regarded by the Ontario Development Corporation as incidental to its powers, although these determinations are set out in the brochure and publication of the corporation as absolutely essential. I am taking the text at its word.

**Mr. Bros:** Mr. Chairman, if I may make another comment, the corporation has whatever incidental powers are required for the purpose of carrying out its objects by the section I referred to. One of the incidental or ancillary powers would be to impose, as a matter of policy, some sensible requirements with respect to the company's financial and other type of operation, because this is incidental to the money-lending business.

**Mr. Peacock:** Perhaps the word "incidental" is not quite appropriate. Perhaps the word "essential" is more appropriate. Where are the incidental powers defined? They are not defined in the statute. Where are they defined?

**Mr. Bros:** As a matter of law, incidental powers cannot be specifically defined because they can vary depending on what particular industry you may be concerned with, what particular area you may be concerned with. Whatever incidental or ancillary powers are required to carry out the purposes or the objects of the corporation, Mr. Peacock, that section I referred to provides the necessary powers.

**Mr. Peacock:** Well, the powers then must be inherent in one of the institutions of the province—either the powers of the Crown or powers conferred by the Crown upon some other lending institution. Is the Ontario Development Corporation acting as an emanation of the Crown in using its determination as to whether or not all of these seven points must be satisfied by applicants? The seven points were not part of the statutory power; they are not described and set out fully in the part of The Department of Trade and Development Act that deals with EIO and the establishment of the Ontario Development Corporation. If they are Crown agency powers, then surely they are subject to regulations. Surely all persons who make themselves applicants are entitled to know the grounds on which they apply, the grounds on which they are to be tested for qualifications?

**Hon. Mr. Grossman:** Are they?



**Mr. Peacock:** Yes, they are. It says one of the—

**Hon. Mr. Grossman:** Are you suggesting, for example, that if an American company wants to put a branch plant in here, they are entitled to question the powers of the Crown corporation and to say, "We are entitled to this; you must give it to us"?

**Mr. Peacock:** No, but if an American firm seeks to establish a subsidiary in Ontario under the laws of this province or of Canada, it is entitled to know that it will receive the same consideration and treatment from the Ontario Development Corporation as any other firm.

**Hon. Mr. Grossman:** That is ridiculous. Presumably you are going to vote for the bill I placed on the floor of the House in which you have in fact agreed that we should give a greater bonus in ODC to Canadian corporations than we give to Americans, so you must disagree with that.

**Mr. Peacock:** No, my point is the same—

**Hon. Mr. Grossman:** We are treating them differently than we are treating Canadians.

**Mr. Peacock:** My point is the same as Mr. Smith's.

**Mr. R. S. Smith:** You are setting that out in a bill where people can see it.

**Mr. Peacock:** My point is the same as Mr. Smith's, that there are certain statutory powers given to the Ontario Development Corporation; the Ontario Development Corporation has proceeded to set out seven grounds for qualification in the publications that it has issued. None of the grounds of qualification is covered or given authority by regulation, and none of the grounds of qualification falls under declared, specified, clearly defined powers enacted by statute. They fall, as 1 and 2 do—and I assume the other five do—under the incidental powers that have been enumerated by the solicitor for the Ontario Development Corporation. And the incidental powers are nowhere expanded or defined by regulation. There are no regulations under The Department of Trade and Development Act with relation to these.

**Hon. Mr. Grossman:** May I ask if the hon. member is suggesting we put in regulations so that we lay this down in chapter and verse?

**Mr. Peacock:** Yes.

**Hon. Mr. Grossman:** I will consider that—not very favourably, but I will consider it.

**Mr. Peacock:** That is one of the guiding principles of Mr. Justice McRuer, when he deals with the powers exercised by any agency of this government, whether it be the Liquor Control Board, of which the minister is familiar, the Liquor Licence Board, the Ontario Water Resources Commission, the air management branch, the Ontario Racing Commission, Ontario Northland Railways—

**Hon. Mr. Grossman:** I understand the point the hon. member is making, and generally speaking I would agree with him, except he is dealing with a particular type of situation. Is he suggesting then if a firm wants to come in here and open up a branch plant and applies for a \$500,000 forgivable loan, even though we feel we have sufficient of that type of industry in Ontario, that because we have laid it down under regulation sections 1, 2, 3, 4, they are entitled to this, we would therefore not be in a position to use our judgement and say, "Sorry, we think there is enough of this industry in the Province of Ontario at the present time. If you want to come in on your own we are not going to help you"?

**Mr. Peacock:** Yes, that judgement, of course—

**Hon. Mr. Grossman:** Is that the sort of co-operation you want us to be giving them?

**Mr. Peacock:** Yes; that judgement, of course, is already exercised and is already declared. Members of the Liberal caucus in this committee have pointed out that 80 per cent of the loans made by the Ontario Development Corporation under the Equalization of Industrial Opportunity programme have gone to a particular geographical portion of this province.

Now if a matter of policy is to be applied equitably to all applicants, then all applicants should know what their chances are of succeeding with an application; all applicants should therefore know that it is the policy of the Ontario Development Corporation under the Equalization of Industrial Opportunity programme to steer industry into the eastern portion of this province, and a regulation should say so.

**Hon. Mr. Grossman:** You are saying then the regulation should say that if—it would

have to say "if, in the opinion—"; you are back at the same thing which McRuer might object to on general principles of pure justice—we would have to put in a regulation then that if in the opinion of somebody there is sufficient of this kind of production in eastern Ontario, then company X will not qualify. It has got to be in the opinion of somebody.

**Mr. Peacock:** Exactly, there should be a policy of this government enshrined in regulation that says such and such a product is now produced in a certain volume within the geographical definition of eastern Ontario so that the forgivable loans or performance loans made by EIO will no longer be afforded those applicants who seek to locate in eastern Ontario.

**Hon. Mr. Grossman:** You mean the name of the product should be placed in the regulation?

**Mr. Peacock:** Exactly.

**Hon. Mr. Grossman:** Why that could change in six months!

**Mr. Peacock:** In that case then the regulation should be amended.

**Hon. Mr. Grossman:** Gee, that is a pretty risky way of doing business.

**Mr. Peacock:** Every other department of government—

**Hon. Mr. Grossman:** I think, on second thought, the hon. member better think—

**Mr. Peacock:** Every other department of government behaves under a statute by way of regulation; why does the Ontario Development Corporation not?

**Hon. Mr. Grossman:** I think in general and in principle I would agree with that, except I do not think it would work in this situation. It just would be impossible. Without having thought about this—it has only been made by the hon. member a few moments ago—I can see loopholes in it immediately; it would be difficult to operate.

**Mr. Peacock:** Sure.

**Hon. Mr. Grossman:** There are cases where we must use our judgement. And in spite of McRuer, we are in a position where if we do not use our judgement properly, we are subject to the sanctions of the electorate. It is a situation where we just must be able to use our judgement. If somebody comes in, they do not know; as a matter of fact, we have

not done it under ODC, but the McClelland and Stewart case is a perfect example. There is nothing in the regulation, there is nothing in the law as a matter of fact, which provides for that. There was a situation which appeared to require some quick action. The government has to be in a position to take emergency action, and we did that; the government made the decision. Of course it was not done under ODC; ODC is merely being used as the vehicle. We have to make some quick decision. Now suppose, in matters relating to ODC, the Legislature is not in session. You are suggesting we put an order-in-council through changing regulations; and Mr. McRuer has objected to passing regulations by order-in-council which are not reviewed by a legislative committee.

**Mr. Peacock:** Mr. McRuer has never objected to the passage of orders-in-council when the Legislature was not sitting.

**Hon. Mr. Grossman:** We are talking about regulations.

**Mr. Peacock:** In fact, the Legislature has taken care of that omission by enacting a statute which establishes a committee on regulations to examine regulations which are passed during the session of the Legislature, or outside the session of the Legislature.

What equity is there for a firm in this province which feels itself to be placed in a similar position to that of the McClelland and Stewart publishing company which comes to ODC and says: "We feel we can satisfy the corporation that we can operate profitably in some other circumstances than we now find ourselves in. We are organized on a businesslike basis. We can proceed with a project within a reasonable period of time. We can satisfy the corporation that the project will not be undertaken in the location chosen within the foreseeable future without a forgivable loan. We can show that any proposed expansion of the existing plant is substantial in relation to the facilities already in existence. And we will have on the board of directors a majority who are Canadian residents or we will appoint the majority who are Canadian residents within a reasonable period of time?"

In the event that such a company is denied a loan, what test is there that that company's application is any better founded than McClelland and Stewart's?

**Hon. Mr. Grossman:** In the first place, I think the hon. member has brought up a

bad example because McClelland and Stewart was not handled by ODC. McClelland and Stewart was handled outside—

**Mr. Peacock:** By a royal commission.

**Hon. Mr. Grossman:** —of ODC. It was handled as a matter of government. It was handled by government outside ODC. ODC was merely used as a vehicle through which this was accomplished. ODC neither recommended nor had anything to do with it, outside the fact that the government policy was to step into the breach in the matter of the protection of the culture of this province to protect this industry. ODC, had it looked at it on the basis of its viability, or something other than strictly, might not have recommended this at all. Not that it did recommend it.

**Mr. Peacock:** But it had the weight of a royal commission interim report behind it.

**Hon. Mr. Grossman:** The royal commission recommended it, and the government took the action, so it is outside the ambit of the ODC operation.

**Mr. Peacock:** Exactly.

**Hon. Mr. Grossman:** The hon. member is merely suggesting that every company should have access. First, it should be able to feel that it is qualified under certain regulations, and if it is not dealt with accordingly should have some sort of an appeal in that respect. I understand the point he is making, of course. He is making the point to waste some time, really.

**Mr. Peacock:** Every applicant who approaches Ontario Development Corporation should have the same right to determine whether his application is based on grounds—

**Hon. Mr. Grossman:** I appreciate the point—

**Mr. Peacock:** —that are the same.

**Hon. Mr. Grossman:** I do not agree that in the case of ODC it would be practical.

**Mr. Peacock:** Why would it not be practical to exercise the judgement that ODC claims to make in respect of these seven criteria, in the same fashion—

**Hon. Mr. Grossman:** You are going to filibuster, I can see that.

**Mr. Peacock:** —in the same circumstances as any other application?

**Hon. Mr. Grossman:** I think, Mr. Chairman, I have given all the opinion I care to give on this. I am not of legal background, neither is the hon. member. We have the opinion of the legal counsel who claim this is quite in order.

**Mr. Peacock:** And the opinion of the legal counsel is just as strong as mine, contrary to my position, that in respect of the seven criteria, there is no regulatory force and there is little statutory force behind the judgement that ODC must make in respect of each application that comes before it. I wonder if—

**Hon. Mr. Grossman:** I would suggest the hon. member get to the floor of the House, bring in a bill amending The ODC Act, and—

**Mr. Peacock:** When the Ontario Development Corporation was established by The Department of Trade and Development Act, 1968, in the 1969 session of this Legislature we argued in exactly the same fashion as I am arguing tonight before the minister—

**Hon. Mr. Grossman:** Did you vote for it?

**Mr. Peacock:** —that there was a complete absence of regulations setting out the criteria by which ODC would proceed; that there was no common ground on which all applicants could be judged as to their qualifications and entitlement to loans. That situation prevails today. The flexibility that the minister speaks of, the discretion that he prides himself on, has been used in a capricious and arbitrary fashion, just as the member for Nipissing has pointed out.

There are really no grounds on which one applicant as distinguished from another can determine whether he will be successful over the other person who has not been successful. None of the criteria that are printed in the publications of the Development Corporation have any legislative force whatsoever, other than the derivation from the incidental powers in The Department of Trade and Development Act that the solicitor has referred to. That is a tremendous void, a tremendous gap in the application of the laws in an equal number to all applicants who might appear before the Ontario Development Corporation.

For instance, if an applicant wished to challenge the decision of the administrator or the corporation with respect to designation of a geographic area which qualifies for a performance loan, how would he go about it? How would an applicant from the



city of Windsor, or the city of London or the city of Hamilton, or the city of Toronto, or the city of Ottawa assault a determination by the minister or ODC that those communities cannot qualify as designated areas? Where are the criteria set down for designation as an area in which an EIO loan can be made?

**Hon. Mr. Grossman:** That is a matter of policy.

**Mr. Peacock:** It is not a matter of policy. It is a matter of enactment of policy by way of regulation, because the statute provides for the enactment of regulation if my memory is not incorrect. Would the minister ask the solicitor if the statute of 1968 provides for the enactment of regulations?

**Hon. Mr. Grossman:** I do not think it does. Does it?

**Mr. Bros:** If the hon. member is referring to The Ontario Development Corporation Act there is no provision that I am aware of for regulations. I am not sure whether there are any under The Department of Trade and Development Act, under section 5 in which, I believe, areas are designated—

**Mr. Peacock:** EIO, that is right.

**Mr. Bros:** I do not have a copy of that Act with me.

**Mr. Peacock:** Would the solicitor refer to The Department of Trade and Development Act, 1968, as to whether there is a provision in there for the enactment by regulations of the Lieutenant-Governor-in-Council establishing designation areas qualifying for EIO loans.

**Hon. Mr. Grossman:** No, there is no regulation.

The minister, with the approval of the Lieutenant-Governor-in-Council, may approve any area in Ontario that is considered to require assistance to attract industrial development as an area of Equalization of Industrial Opportunity.

2. The ministers shall (a) undertake, research and make investigation respecting the areas of Equalization Industrial Opportunity;

(b) Prepare and carry out—

**Mr. Peacock:** Exactly.

**Hon. Mr. Grossman:** There is nothing there about the regulations.

**Mr. Peacock:** Certainly there is. The Lieutenant Governor acts only by way of order-in-council.

**Hon. Mr. Grossman:** There is an order-in-council designating the areas. That is not a regulation. An order-in-council is not a regulation at all.

**Mr. Peacock:** No, strictly speaking an order-in-council is not a regulation made under a statute. But if an order-in-council is to be made by cabinet, then there must be some criteria other than the judgement of the Lieutenant-Governor-in-Council which enters into the making of a regulation.

**Hon. Mr. Grossman:** That is all the judgement provided for in the Act.

**Mr. Peacock:** So, therefore, one community as against another should be entitled to say: "We should have an order-in-council made respecting the city of Windsor, or the county of Essex or the county of Lambton, providing for designation for the purposes of the Equalization of Opportunity section of The Department of Trade and Development Act."

**Hon. Mr. Grossman:** You are saying there should be regulations.

**Mr. Peacock:** Why are major communities like the city of Windsor, the city of London and the city of Toronto, the municipality of Metropolitan Toronto excluded from the schedule of designation?

**Hon. Mr. Grossman:** Obviously because we do not feel that they are the ones that need to be helped at this present time. There are other areas like northern Ontario and eastern Ontario which require help a lot more than places like Toronto and Windsor, and so on. This is precisely the difficulty you are going to run into. If we had regulations, some company would appeal them, somebody perhaps would even go to the courts, and some judge would decide for whatever reason, for pure justice, that Jack Stokes' riding should not be treated any differently than Hugh Peacock's riding, and then the fat is in the fire.

**Mr. Peacock:** What would be wrong with that?

**Hon. Mr. Grossman:** Ask Mr. Stokes if he would like that.

**Mr. Peacock:** What would be wrong with a court declaration that the government

should apply laws equally in all sections of the province?

**Hon. Mr. Grossman:** It sounds like the kind of pure justice we would like to see, except—

**Mr. Peacock:** The courts are entitled to make such a judgement in the absence of regulations defining the kind of circumstances and economic conditions in which the various communities find themselves.

**Hon. Mr. Grossman:** I do not think the courts are entitled to that at all. I think the government was elected to carry this out, and where it sees the difficulties which it is faced with it has to step into the breach and do something about it. That is what we are doing. We are taking the responsibility. I do not think the judge is in a position to make that decision. Do you?

**Mr. Peacock:** No; he is not at the moment, since no regulations are made.

**Hon. Mr. Grossman:** No; but do you think he should be put in that position, to decide whether, in fact, Thunder Bay should be put in exactly the same position as Windsor or Toronto?

**Mr. Peacock:** If Thunder Bay or Windsor or Toronto had any hope of designation, then they would certainly make their appeals and take the chances along with Embro—

**Hon. Mr. Grossman:** To a judge in the court?

**Mr. Peacock:** —and Bothwell and Orangeville and all the other communities in the province. They take their chances.

**Hon. Mr. Grossman:** In the courts?

**Mr. Peacock:** No, without recourse to the courts.

**Hon. Mr. Grossman:** Suppose they did not like the decision of the government in respect to the decision—

**Mr. Peacock:** If they did not like the decision—

**Mr. Chairman:** I do not think this has got anything to do with these estimates, whether we are arguing with a judge or not.

**Hon. Mr. Grossman:** I do not think so either.

**Mr. Peacock:** The Chairman may not feel it has anything to do with the estimates or

not, but it is obviously contemplated by vote 2203, or is it 2204?

**An hon. member:** Vote 2205.

**Mr. Peacock:** All right, vote 2205. Just let me conclude that point, Mr. Chairman, by saying there is no standard by which any applicant for a loan or any community may appeal to the minister or to the Lieutenant-Governor-in-Council for a loan or for designation as a qualifying community, because the minister retains and the Ontario Development Corporation retains all of the flexibility, all of the discretion, all of the capricious judgement that that power involves.

**Hon. Mr. Grossman:** Except there is always an appeal to cabinet.

**Mr. Peacock:** There is no such appeal that lies in cabinet.

**Hon. Mr. Grossman:** Anybody can appeal anything to the cabinet.

**Mr. Peacock:** The only appeal lies at election time.

**Hon. Mr. Grossman:** No; they can also appeal to the cabinet. They can always appeal anything to the cabinet. They may not decide to hear it but they can always appeal.

**Mr. Peacock:** There is no appeal, Mr. Chairman, that lies under The Department of Trade and Development Act from the decision of the Ontario Development Corporation in respect to the rejection of a loan application under this vote.

**Mr. Chairman,** may I ask the minister if he can tell us what success the Ontario Development Corporation has had—

**An hon. member:** We have got another 45 minutes of this. Shall we set the clock for it?

**Mr. Peacock:** We will take 15 minutes.

**Mr. Chairman:** What is your question?

**Mr. Peacock:** What success has the Ontario Development Corporation had in restoring the economy of the city of Cornwall?

Last estimates, when we were here in this room discussing this matter with the Minister of Trade and Development at that time, he gave us the names of those applicants who had withdrawn their applications for loans, those that had postponed their expansion with the assistance of loans from the Ontario Development Corporation, and those firms that were in difficulty. There were the

three categories: Loans withdrawn, loans postponed and loans applied for by companies in difficulty. Can the minister bring us up to date as to what the circumstances of the various applicants in the city of Cornwall might be at this time?

**Hon. Mr. Grossman:** Perhaps Mr. Etchen can read that from his files. What is your next one? I know you have another one ready. Give us that one and then, Mr. Chairman, we can perhaps deal with the next question while we are waiting to get the answer to the first one.

**Mr. Peacock:** Do any of these names ring a bell with the minister at all?

**Hon. Mr. Grossman:** Cornwall, very, very much. As a matter of fact, we have had some very serious meetings. All those times when I have not been in the House, I had some very important meetings with people in order to help bring some very, very important industry and a lot of jobs to Cornwall. Hopefully, it will come true.

**Mr. Peacock:** Has the minister been taking part in the task force, the federal-provincial task force, in Cornwall?

**Hon. Mr. Grossman:** We have had a great deal to do with it, yes.

**Mr. Peacock:** When did you last meet with Mr. Pepin about Cornwall?

**Hon. Mr. Grossman:** I do not know. I cannot remember that, but I do not think I need to tell you that. What is the point?

**Mr. Peacock:** Why can you not?

**Hon. Mr. Grossman:** Recently. Well, I mean, do you want me to look up my diary? Of what importance is that? I met with him recently.

**Mr. Peacock:** No, but some ministers can give us dates—

**Hon. Mr. Grossman:** I met with him recently.

**Mr. Peacock:** —when we ask them when the minister was in Cornwall, and others cannot. Some ministers can tell us what they have been doing with their time.

**Hon. Mr. Grossman:** If you ask me what I was doing on June 12 at 4:30 I could not tell you, but I can tell you we met with him recently.

**Mr. Peacock:** If I knew you were meeting with the Minister of Regional Economic Expansion about Cornwall, I would not ask you.

**Hon. Mr. Grossman:** We met with Mr. Pepin.

**Mr. Chairman:** Would the member mind proceeding with his next question while the staff is looking up the records for information?

**Mr. Peacock:** I cannot, Mr. Chairman, because my next question rests on the answers to the one I just asked about the success that the minister and the Ontario Development Corporation is having with the economic crisis in the Cornwall community. I will fill in the time, if you wish.

**Hon. Mr. Grossman:** No, you do not have to do that.

**Mr. Peacock:** Last year at this time we heard from Mr. Randall, who was then the minister, that Belding-Corticelli had applied for a loan, and had been approved for \$295,833 to expand its work force—

**Mr. Stokes:** You need him on your staff.

**Mr. Peacock:** —by 22, that that company withdrew from the loan programme. A. P. Furniture Industries Incorporated received approval for a loan of \$379,583—

**Hon. Mr. Grossman:** The member is retiring, is he not, at the next election?

**Mr. Peacock:** —to expand its work force by 130; it withdrew its loan application.

Forge Steel Valve Company Limited, which had applied for a loan of \$1 million to create another 50 jobs, postponed the expansion programme for which the loan was awarded.

Howards and Sons, which had applied for a loan and received approval for \$144,583 for an expansion of the work force by 15, had postponed its expansion. And that the Courtaulds firm and a number of the branches there, including Caravelle Carpets Limited, which together had received approval for loans of almost \$300,000 were in substantial difficulty because of the state of the trade in synthetic fibres.

Out of that debate last year it was concluded by the then minister and the members of this committee that the Cornwall situation was one of extreme difficulty, and that none of the injections of aid by either



the federal government or the provincial government had really managed to pull that community out of the economic mire in which it found itself. I want to know what has transpired in the preceding 12 months to improve or worsen the economic situation in that community.

It seems to be a subject that has passed from the attention of the department.

**Hon. Mr. Grossman:** Now why do you say that? We have spent a lot of time on it.

**Mr. Peacock:** I am only reflecting on the length of time it takes to answer.

**Hon. Mr. Grossman:** Mr. Chairman, this is a perfect example of the point I was making earlier. If you want all of this information I have, when you get into all the small details of every operation, every application and so on, we are going to need so much paper that it takes time to find it—

**Mr. Peacock:** Mr. Chairman—

**Hon. Mr. Grossman:** —and now we have found it, so listen.

**Mr. Peacock:** I know that this minister has spent considerable time reading the estimates debate of this committee last year—

**Hon. Mr. Grossman:** I could not get through them all, incidentally.

**Mr. Peacock:** —and the debate in the House the year before and the year before that. I know that the subject of the economic condition of the community of Cornwall is uppermost in his mind, and that he has not got the economic indicators, the activities of his department in aid of Cornwall, at first hand is just shocking.

**Hon. Mr. Grossman:** All right. Now let us try and shock you.

**Mr. Etchen:** The situation in Cornwall is that 16 performance loans and three term loans have been granted. Now the term loans were \$500,000 for Forge Steel Valve, \$51,200 to Lynwood Upholstery and \$94,000 to C-Tech Limited.

Of the performance loans the following have been fully disbursed and are fully in operation: Caravelle Carpets; Chisholm Lacrosse; Courtaulds (Canada); Domtar Fine Papers; Eastern Pottery and C-Tech Limited. Iroquois Chemicals; Compo Records; Domtar Limited.

The following two cases, although they are current have not proceeded to a stage

in construction or financing where we can yet make a disbursement. J. A. Besner and the Pfizer Company.

The following cases have requested their orders-in-council be kept current as they have temporarily deferred commencement of construction until their plans are more firm. Forge Steel Valve and Bingley Steel Works.

The following case has withdrawn its application—Howards and Sons (Canada) Limited.

There are two cases we do not anticipate will proceed, Lynwood Upholstery and Mosaic Artistic Glass.

**Mr. Peacock:** Mr. Chairman, would the minister give us the net result then? Could he give us the net number of firms which have withdrawn their loan applications? They now include Belding-Corticelli, Forged Steel, and Howards and Sons.

**Mr. Etchen:** We have already taken those off the list. I did not include those on this list.

**Mr. Peacock:** Belding-Corticelli was taken off the list last year.

**Mr. Etchen:** That is right.

**Mr. Peacock:** A. P. Furniture was taken off the last last year, Forged Steel, I understood, was taken off the list last year, but Mr. Etchen said it was still pending.

**Mr. Etchen:** I am sorry, which one was that?

**Mr. Peacock:** Forged Steel was still pending.

**Mr. Etchen:** Forged Steel is still pending.

**Mr. Peacock:** They have been carried quite a while. How long will the Ontario Development Corporation carry Forged Steel?

**Mr. Etchen:** As long as they show an interest, any interest at all, in establishing in Cornwall. As a matter of fact—

**Mr. Peacock:** What is the date of that application, Mr. Chairman?

**Mr. Etchen:** It was over two years ago.

**Mr. Peacock:** Over two years ago?

**Mr. Etchen:** Well over two years ago. The company has run into certain problems. It is still negotiating with the city of Cornwall. In fact, we had correspondence from the industrial commissioner in Cornwall three

or four months ago—about three or four months ago. The case is still current and as long as the case is still current and the company has shown an interest in establishing in Cornwall, we intend to recommend that the performance loan be kept current.

Now here are the companies again where the performance loans have been fully disbursed. Caravelle Carpets, Chisholm Lacrosse, Courtaulds Canada, Domtar Fine Papers, Eastern Pottery and C-Tech Limited.

**Mr. Peacock:** That is five out of the total.

**Mr. Etchen:** Iroquois Chemicals, Compo Records and Domtar. That is one, two, three, four, five, six, seven, eight, nine.

**Mr. Peacock:** What was the total number of applications made to ODC? "My company is proposing to locate in the Cornwall area." Over the last three years.

**Hon. Mr. Grossman:** You would not have that, would you? Mr. Etchen would not have that.

**Mr. Peacock:** In addition to the names that Mr. Etchen has read, I have some of the names—Belding-Corticelli, A. P. Furniture Industries Incorporated, Forge Steel Valve, Howards and Sons—ones that proceeded.

Now net out of the applications, how many loans have been proceeded with?

**Mr. Etchen:** Well, let me give—

**Mr. Peacock:** Nine out of the total?

**Mr. Etchen:** I gave you the number that have been proceeded with and what you are after is the number which have been withdrawn. I mentioned already—

**Mr. Peacock:** There were 16 performance and three term loans.

**Mr. Etchen:** Lynwood has not been withdrawn; we do not expect it will go ahead. Mosaic Artistic Glass we also expect will not proceed. Forge Steel Valve and Bingley Steel Works—I think I mentioned before they are still current, although they have not yet proceeded with the buildings.

**Mr. Peacock:** Why would Forge Steel Valve be carried for so long a period of time?

**Mr. Etchen:** For the very simple reason that if they do establish in Cornwall, they will provide 100 jobs. It is that simple.

**Mr. Peacock:** Last year at this time the minister told us that Forge Steel Valve had received approval for a loan of \$1 million for the creation of 50 jobs.

**Mr. Etchen:** That was 50 jobs initially.

**Mr. Peacock:** Yes.

**Mr. Etchen:** But they anticipate that the labour force will grow to 100.

**Mr. Peacock:** As you pointed out last year, the approvals show up in the totals that the Ontario Development Corporation issues as its lending activity. Does the Ontario Development Corporation now subtract from the totals that it shows for its lending activity those firms which have either withdrawn their applications or which have indicated postponement of their activity?

**Mr. Etchen:** Those that we have been officially notified are not proceeding have been withdrawn from the list.

**Mr. Peacock:** So that would include Forge Steel Valve, Howards and Sons, A. P. Furniture, Belding-Corticelli and Lynwood.

**Mr. Etchen:** Yes, those that have officially notified us that they are not proceeding we withdraw from the published totals; so they are not in the total. The totals are net.

**Mr. Peacock:** Is the minister satisfied that the Ontario Development Corporation's efforts are making any substantial improvement in the economic condition of the Cornwall area?

**Hon. Mr. Grossman:** We are never satisfied. We are always—

**Mr. Peacock:** How would you know if you do not comprehend the extent to which Cornwall is a depressed area?

**Hon. Mr. Grossman:** Who said we did not comprehend?

**Mr. Peacock:** The minister just indicated.

**Hon. Mr. Grossman:** How did I indicate that?

**Mr. Peacock:** That he was always endeavouring to do better.

**Hon. Mr. Grossman:** That is right. No matter what we do in Cornwall for the foreseeable future is sufficient.

**Mr. Peacock:** It does not matter how good or how bad it is, he will try to do better?



**Hon. Mr. Grossman:** Of course.

**Mr. Peacock:** What relative judgement does the minister use then in applying his efforts to improve the Cornwall situation?

**Hon. Mr. Grossman:** Until the unemployment rate goes down considerably from 18 per cent.

**Mr. Peacock:** There were 2,871 people out of work on February 28, 1971.

**Hon. Mr. Grossman:** I hope we can improve that.

**Mr. Peacock:** How many jobs has the Ontario Development Corporation actually put in place by approved loans, loans which have been used to finance expansion of manufacturing operations?

The unemployment rose by March 31, a month later this year, to 2,972.

**Mr. Etchen:** I would say from these figures there are well over 300 jobs in these companies that are in operation.

**Hon. Mr. Grossman:** The figures show that there are 300 direct jobs resulting from the assistance we have given.

**Mr. Etchen:** These people are actually employed now.

**Mr. Peacock:** That are actually at work—placed in jobs? Well, once again, Mr. Chairman—and I have got to yield the floor; I have had it quite long enough—the minister indicates a certain detachment, a certain distance from the problems of Cornwall in particular, from the concerns over the way in which ODC operates and the lack of declared, publicized disseminated standards of eligibility for loans that simply is bewildering, given the time the minister has been in this portfolio. He does not know or he has not asked or has not imposed his own judgement or concern over the officials of the department to bring about changes.

We have been operating with some of these terms and conditions since the spring of 1968 and there is not a jot or tittle of change in the way ODC operates or in the way the minister views the responsibilities of his office in regard to industrial development, in regard to the responsibilities of the province toward economic improvement of the conditions in the Cornwall area. I just do not understand his indifference.

**Hon. Mr. Grossman:** On what basis do you decide that I am indifferent to it?

**Mr. Peacock:** By the kind of answers the minister gives.

**Hon. Mr. Grossman:** Do you want me to get excited?

**Mr. Peacock:** No.

**Hon. Mr. Grossman:** Well, are you suggesting I have not taken an interest in this?

**Mr. Peacock:** I just do not think this minister, given his penchant for artificiality, could generate any kind of excitement over the issues that we have been talking about tonight.

**Hon. Mr. Grossman:** All right. I will try to appear excited tomorrow—or Thursday.

**Mr. Peacock:** Perhaps he has been concentrating on some other area of his responsibility.

**Hon. Mr. Grossman:** There are other areas of responsibility, of course, and I would think that some members of the opposition do their best to see that I am so preoccupied a great portion of my time on other areas which perhaps do not have the importance in order to keep me from being preoccupied as much as I want to be in this particular area.

**Mr. D. C. MacDonald (York South):** That is your excuse for not knowing.

**Hon. Mr. Grossman:** That is not my excuse. I know all about Cornwall, because I have been spending a great deal of time on it with my staff and local people.

**Mr. Peacock:** Well, tell us more than Mr. Etchen.

**Hon. Mr. Grossman:** There is nothing more to tell you.

**Mr. Peacock:** You have told us less than the minister before you has told us.

**Hon. Mr. Grossman:** Well, the minister before me had been in this job for 7½ years. I have been in it for four months, and perhaps I can speak a little more smoothly and a little more knowledgeably four months from now.

**Mr. Peacock:** Smoothly yes.

**Hon. Mr. Grossman:** All right, apparently that is what you are looking for—someone to give you a smooth speech, and I cannot do it.

**Mr. Peacock:** Not at all.



**Mr. Chairman:** Any more questions, Mr. Peacock?

**Mr. Peacock:** No, Mr. Chairman.

**Mr. Chairman:** Mr. B. Newman.

**Mr. B. Newman:** Mr. Chairman, some of the questions I was going to ask have already been answered by the minister.

However, there is still one problem that I would like to bring to his attention and ask if there is anything he can do concerning it. It is that plant closings are not necessarily a Canadian phenomenon, they go on in the States just the same as they do here, assume that they go on in all nations of the world, especially with the multi-national corporations.

The closings of the plants in the States can have an adverse effect on us here. One of them which has been brought to my attention today is that Chrysler are closing their plant in Los Angeles and as a result of that closing some of their men are going to be transferred to Windsor. The information provided me was that Windsor employees were going to lose their jobs as a result of a closing in Los Angeles. Is there any information that the department has concerning the truth of this type of rumour?

**Hon. Mr. Grossman:** The hon. member, I take it, has said that he just got this information?

**Mr. B. Newman:** Today.

**Hon. Mr. Grossman:** My staff tell me they have no such information. Let me take this opportunity to say that there is some evidence, at least in some areas—I do not think it is very prevalent—but there is some evidence that this is a situation which may occur in some instances. This is the sort of thing, I think, that requires federal legislation.

I mentioned this in one of the first public statements I made when I was appointed to this portfolio. It is this sort of thing which divides, separates, the good corporate citizens from the poor ones. I do not think if this, in fact, should happen this is evidence of good corporate citizenship.

I think that this is the sort of thing that only the federal government can take action on. I think it is reprehensible that any foreign company with a branch plant here should attempt to replace local people, local citizens, with foreign employees merely because they have to shuffle some of their employees when they are retrenching and take it out on the

branch plant staff. As I say it is a reprehensible action even in the few cases where it appears to occur.

Perhaps this is where legislation is required prohibiting this sort of an action, because it is something like the extra-territorial law; it is sort of extra-territorial policy. It should be not only, as I say, discouraged but prohibited by law, and we certainly keep our eyes on this.

The member has brought it to our attention. If in fact it should be the case—and I am not necessarily saying that it is the case—if it should be the case we will do our best to point out the error of its ways to any corporation that attempts to do it.

**Mr. B. Newman:** I am not, Mr. Chairman, saying this is the case, but the rumour did come to me. I think your department should check it out to see if such a thing is actually going to happen. Because if it is going to happen let us stop it now.

**Hon. Mr. Grossman:** We certainly will do everything we can.

**Mr. B. Newman:** Right.

**Mr. Chairman:** Are you finished?

**Mr. B. Newman:** Yes.

**Mr. Chairman:** The next two speakers are the member for Brantford and the member for Thunder Bay. The member for Thunder Bay has sat here all day, will you yield to the member for Thunder Bay?

**Mr. Makarchuk:** Yes I certainly will Mr. Chairman, he has a very important comment.

**Mr. Stokes:** Thank you, Mr. Chairman.

Mr. Minister, I spent about 2½ hours between 5:30 and 8 o'clock speaking to some people who are very knowledgeable in the resource industries in northern Ontario. They are people who are experts in their field; people who feel that if both the provincial and the federal governments proceed along in the same uncontrolled fashion, laissez-faire, they are presiding over the demise of a way of life that is unique to northern Ontario. These people are very, very concerned about the amount of money that is extracted from that part of the country with very little of it remaining there and most of it going to more affluent parts of this country and this continent and indeed to many areas in Europe where the processing is done.

It would be unfair for me to sit here and to condemn the Northwestern Ontario Development Corporation. Many of the people who act as directors there are experts and very knowledgeable regarding the needs of the north. I know they are very, very dedicated people. I know they have applied themselves very, very diligently to their task of trying to get something going in northern Ontario since they have been assigned that task.

I see Jack King sitting over there who acted as a consultant before NODC was set up and I can attest to his dedication to the task of trying to attract industry to the north. He listened very, very carefully and made several trips up there; unfortunately, NODC took him away from us.

We had a chap by the name of Jason Ingham who was acting as a temporary consultant up there. Now he has gone and we have got somebody else whom I have not even met yet.

I do feel, in talking to some of these people, that you are not giving them the kind of autonomy and the kind of discretionary powers that are necessary.

It is all very fine for the minister, and Mr. Etchen and Mr. Clark to sit down here in the ivory tower and say: "We will use our own discretion as to the kind of industry or the kind of people who will get loans and who will not get loans." I suggest to you Mr. Minister, and to the members of your staff, that the people who accepted the responsibility of acting as directors on NODC did it with one thing in mind and that is to enhance the position of northern Ontario in the overall economic scheme of things in this province.

I suspect, although I have no proof, but I suspect, that a good many of the applicants who have gone before NODC have been pooh-poohed and told, "There is just no way that we can provide a loan or financial assistance, because you are really not convinced that these people have the expertise and the kind of resources in order to carry out the things that they aspire to." I get the distinct impression, and a little later on I am going to mention a couple of specifics, in spite of all you have said by way of assurance to the member for Nipissing and my colleague from Windsor West that you are not going to give the kind of autonomy that is going to be needed or is going to have to be given to the directors of NODC so that these programmes can make a worthwhile contribution to our economic development in the north, provide

jobs and stop the mass exodus of our most important resource, which is our young people.

All you have to do is look at the Design for Development and it will tell you what is going on with regard to negative aspects of population and lack of job opportunities when we are dealing with a capital intensive industry such as the resource industries where you have to spend as much as \$100,000 to create one job in the mining industry. It is getting close to that in the pulp and paper industry as well.

We know we cannot aspire to the way of life that other people have in other more affluent parts by relying on the tourist industry. So I am suggesting to the minister that if anything is going to happen—as I say it would not be fair of me to condemn the programme; it has not been under way long enough—but if anything meaningful is going to happen with regard to EIO or the operation of NODC, you are going to have to give them much more autonomy, much more flexibility, and much more latitude. The decision-making powers should reside within that board.

Now having said that, I am not suggesting for one minute that they should not depend upon the expertise that the people in your department can bring to decisions by way of consultation or advice to these people. We are always open to advice in the north; but when it comes to making the final decision, you are going to have to make it, not strictly on the basis of economics, you are going to have to make it on the basis of providing a service to people; and you are going to have to provide it on the basis that the balance sheet is not the only criterion.

There are a good many basic necessities that we need in the north that neither private entrepreneurs nor government are willing to provide at this time. Where you do have people who are interested in doing that, they are going to have to be given some kind of incentive in order to put them over the hump.

I want to refer to a remark that your predecessor, the member for Don Mills (Mr. Randall) made. He said, you know: "If you have an idea, come and see us; we have got the bucks."

Well I could trot out application after application after application of people who have had ideas, and some of their own money and a good deal of initiative and a good deal of enterprise. But they are just going away saying: "What is the use? We



get turned down. We are thwarted at every step." They have given up on the programme.

Well I have not given up on the programme. I happen to think that we have people up there who are dedicated enough and expert enough that a lot of these things can be made viable if we had somebody here who was willing to have enough confidence in that board of directors and allow them to make the final determination.

You have the bucks. The board of directors knows it. The people in the north know it. I know it. And you have already said that you have. So I think you should be a little less stringent in the way you apply these programmes in the north and take a chance.

Sure you are conservative, but you should be progressive too, you know, if you really stand by your name, and take a chance on the people in the north. That is all they are asking you to do. I suggest that you have not done that up until now.

I can remember another comment that your predecessor made when an industry in my riding was in jeopardy. It was Nor-Ply. Mr. Etchen knows that quite well; and so does Mr. Petch, who is not here tonight. They are quite familiar with that operation.

But neither the organization or that viable little industry in the town of Nipigon ever lost a cent any day it ever operated. But because of mismanagement at the top they ran into difficulties, and when they came down here seeking help under a new organization the former minister was quoted as having said: "They will not get a penny from us. We know a white elephant when we see it."

Now that enterprise has been operating very, very successfully for over a year and a half and it has never looked back. But it was money provided by local entrepreneurs that got the thing on the road again. If it had not been that we had people like that, who had enough confidence in the plywood industry, that industry would have long gone down the drain.

Now I want to refer to two specific areas, and one of them is the area of communications. I understand a radio station and a television outlet in Thunder Bay made application for a loan in order to meet a commitment to the CRTC.

Mr. G. E. Smith (Simcoe East): CRTC?

Mr. Stokes: Canadian Radio and Television Commission!

They had made an application to NODC and it was treated very favourably, I am told. This is by the board of directors themselves. But when they got talking to somebody down here—I hope that Mr. Etchen will elaborate on it a little bit further on—when that application came down here somebody said: "Well, we have not closed the door on it completely, but we do not think it is within our terms of reference."

Now it gets back to a point that I made earlier. The only criteria should not be is it the kind of thing that we want to foster. I happen to know that kind of venture will provide another 40 jobs in Thunder Bay. I happen to know that the same application was made by interested people in Timmins because they have both been faced with the same directive, I am told, from CRTC. So there is a total of 80 jobs that are going to be created if they get the kind of assistance that is needed to provide a second television outlet in northeastern Ontario and northwestern Ontario.

In addition to that, it does provide a badly needed service to people. If the minister and members of his department had to come up into northern Ontario and if they were fed the kind of television programming that we get up there, I assure him they would never watch television. People up there feel they are entitled to the same kind of communication, the same kind of access to what is going on in other parts of even this province.

In a good many places in northern Ontario they do not even identify with Toronto any more. My colleague from Kenora (Mr. Bernier) will tell you this, that Kenora, Rainy River, anything west of Atikokan, is oriented toward Winnipeg. They never get a news bulletin. They get a four-day-old paper from Toronto and that is about the only source of information.

So that it is much more than dollars on the balance sheet. I think that all we need up there is some indication from the Ontario Development Corporation that you are willing to rely upon the expertise and the diligence of people in northern Ontario in order to get this show on the road.

One other area that I want to get into is the tourist industry. The minister has stated in answer to an earlier question that present programmes do not preclude assistance to new ventures in the tourist industry. I have been told on numerous occasions that they do. If you want to winterize, you qualify.



If you want to upgrade an existing viable industry, in the eyes of ODC you will qualify. But I have had several requests for assistance from new facilities, and of three that come to mind right now none of them has qualified and all for very different reasons.

So I think that you are going to need this flexibility. You really have not any terms of reference, as my colleague pointed out earlier, and there is really no assistance for new ventures. I suggest that if anything meaningful is going to happen in this programme in all of the north, you are going to have to rely on the people that you have appointed as directors to NODC in order to get the job done.

I am sure there is enough money up there to show an interest and get the show on the road, if you give us the kind of assistance that we think you are capable of giving us and give us the autonomy up there to make the decisions on behalf of the people who need assistance so badly.

**Hon. Mr. Grossman:** Well Mr. Chairman, first I cannot let the statement go unchallenged that the government takes an uncontrolled, laissez-faire attitude to the resource industries in the north. I do not know whether the hon. member was here earlier when I mentioned that we were taking a new look, a completely new look, at the resource industries.

**Mr. Makarchuk:** Sort of in keeping with the "new wave"?

**Hon. Mr. Grossman:** Yes, in keeping with the "new wave" and—

**Mr. Makarchuk:** The old washout, in reality.

**Hon. Mr. Grossman:** Well Mr. Chairman, in spite of Mr. Negative over there, just let us get along for a little while. He does not see anything except through dark glasses.

**Mr. G. E. Smith:** The spoiler!

**Hon. Mr. Grossman:** He is the spoiler, I think that is a good expression.

I cannot agree with the member for Thunder Bay. We are taking a look at the resource industries and I think the hon. member will be very happy with the government's action—

**Mr. Makarchuk:** He is still smarting with the Brant by-election.

**Hon. Mr. Grossman:** —in the very near future. He seems to express the opinion

which another member expressed, I think it was the member for Timiskaming, that NODC does not have autonomy. I really do not know where that opinion emanates from. They have autonomy. They have as much autonomy as ODC has in its service.

They do not have complete autonomy either, because in the final analysis approval for a loan must come from cabinet. I mean it is the expenditure of large sums of money and the cabinet makes the final decisions.

**Mr Stokes:** All right!

**Hon. Mr. Grossman:** It usually accepts except on very rare occasions, the recommendation of NODC or ODC. They do not have their autonomy. If the hon. member can tell me why he feels that they do not have—

**Mr. Stokes:** The reason I feel this, Mr. Minister, is that on the application I referred to earlier—by the two people in the media to expand their facilities and to provide a greater service—I get the distinct impression, although I do not presume to speak on their behalf, that they viewed it very favourably. It was not until the request was made to somebody down here, that it was decided that maybe it was not within the terms of reference or this was not the kind of business you should be in. Now I am all for anything that brings a better way of life to the people of the north, and in so doing creates jobs, and I happen to think that this is the kind of business that you should be in.

**Hon. Mr. Grossman:** Nobody here except cabinet could make that decision contrary to a recommendation of NODC.

**Mr. Stokes:** Are you suggesting then—

**Hon. Mr. Grossman:** And I am advised that NODC made this decision in respect of the matters the member refers to. I am also—

**Mr. Stokes:** A positive or a negative decision?

**Hon. Mr. Grossman:** Those which wound up being negative. I will not call it a negative decision; the decision, as it was arrived at, was arrived at by NODC.

**Mr. Stokes:** Has a decision, in fact, been arrived at?

**Hon. Mr. Grossman:** In some instances they were offered a kind of assistance which they refused. I understand in one instance

they wanted a performance loan, and it was deemed advisable by the board that they be offered a term loan. I understand in one case they refused that, they refused a term loan.

The hon. member, I am sure, will appreciate that we cannot accept everyone. We cannot agree to give everyone the kind of assistance they want. There just is not that kind of money because everyone in the province would want that kind of assistance.

We are very much interested in the communications industry, particularly in the north country, particularly for the reasons the hon. member points out. I am fully familiar with it, in spite of the fact that quite an effort is made from time to time to say that "them thar" people down in Toronto do not know what is going on in the north country.

I have been there quite often. I have been to Kenora quite often. I know their problems; I know that they get a lot of their communications and so on from Manitoba. I am quite familiar with that and we would like to help as much as we possibly can to change that situation. I am sure you will agree it is not an easy matter to try to get—

**Mr. Stokes:** You will say though that this is an opportunity to do so?

**Hon. Mr. Grossman:** Yes, but even within the framework of that we have to be sure that it appears reasonable that the kind of assistance they seek is the kind of assistance that, in handling the taxpayers' money, we should offer them. And, reasonably, we do not always make the right decision. But some judgement has to be made.

The hon. member, as a matter of fact, mentioned that he disagrees with the idea. He says the balance sheet should not always be the deciding factor. I agree with him. But in that respect, I hope he appreciates the fact that in principle he disagrees with the hon. member for Windsor West, his own colleague, who says we should lay these down in regulations.

Now, if we laid it down in regulations it would be most difficult to make the kind of arbitrary decision, or judgement decision that in some instances we would have to make.

I should also point out that the criteria used for northern Ontario—if you will excuse the expression—are much more liberal than in the balance of the province.

**Mr. W. Newman (Ontario South):** Hear, hear! I agree.

**Hon. Mr. Grossman:** We have had some complaints from other members, incidentally, in the Legislature. They feel that perhaps in some instances we are being a little too generous, but none of them ask what we are doing in other parts of the province.

However, be that as it may this government does appreciate the differences in the various parts of the province and their different needs, and we are doing everything possible to alleviate the situation and help out where it appears necessary.

All I can do is appeal to the hon. member and all other hon. members to appreciate the difficulty we have. I am sure hon. members will have seen that every time we go into the House there are three or four members on my heels who have some particular project in their ridings which they feel has not been treated fairly because they have been refused.

I do not blame them, because if I were in their position I would fight like hell for every industry or anyone who wanted some assistance that they thought might be of some use in providing jobs in their area. But you cannot say yes to everybody, because the Treasury would soon run dry. In the final analysis, you would not be helping many of them at all by giving them money. So we have to use some judgement.

The hon. member feels in a particular case that perhaps we have not given the kind of consideration, that we have not taken certain matters into consideration which might be taken into consideration, that there should be other consideration given to the case, that it should be reviewed.

If he has some other information that would be of help we would be very glad to hear about it. Because the money is there, as my predecessor said. It is not a bottomless pit, but there is money there for that purpose.

The government is very anxious, through this department, to do all it can to use this money for the purposes for which it is intended, to take some risks in those cases where it appears a risk is necessary and will do some good.

So if the member has any situation like that I would be glad to hear it.

**Mr. Stokes:** I just have time, Mr. Chairman, to make my final point.

At these discussions that I had earlier with these people who are interested and knowledgeable about resources in the north, they pointed out to me that Inco, which is just one

company operating in the north now, had profits last year after taxes of \$205 million. If you take that over a 25-year period, for just the one company that is \$5 billion. Now most of the profits are going elsewhere for development.

Now the people with whom I was talking think that it is entirely possible and feasible that we establish a primary steel industry in the north. Whether it be in the Sudbury area, the Little Current area, the North Bay area, or whether it be in the Thunder Bay area, they think that this is something that is viable and something that the Ontario government should be looking at very actively. And they want to know if this department will undertake a feasibility study of establishing a steel industry in the north.

**Hon. Mr. Grossman:** Mr. Butters, do you have anything on that? Has anything been done on that?

I am asking Mr. Butters of the Economic Council about a feasibility study on the possibility of providing a steel industry in the north.

**Mr. J. Butters** (Ontario Economic Council): I believe that in 1963 the Ontario Research Foundation undertook a study on our behalf—

**Mr. Stokes:** I have a copy of that; that was a small jet steel processing thing that was done. I got a copy of it from the Northern Ontario Development Council.

This is not what I am talking about. I am talking about something that will run

into several hundred millions of dollars and provide the kind of viability to the economy, with all of the secondary industry that is so badly needed. I am not talking about a little 100-ton-a-day jet processing operation that the Ontario Economic Council looked into and to which Mr. Butters referred.

**Hon. Mr. Grossman:** Is the member suggesting that the government go into this or that the government provide the study to find out whether it is feasible?

**Mr. Stokes:** The study.

**Hon. Mr. Grossman:** I would be very pleased to consider that, if the hon. member would convince his colleague from Brantford that he will not jeer at us for going into another study.

**Mr. Stokes:** No. I will not give you that commitment.

**Mr. Chairman:** It is now 10:30 of the clock, we will adjourn and meet again.

**Mr. Makarchuk:** The problem, Mr. Chairman, is that you cannot eat studies—except ministers, perhaps.

**Mr. Chairman:** We will resume The Department of Trade and Development estimates right after the question period on Thursday.

The committee adjourned at 10:30 o'clock, p.m.

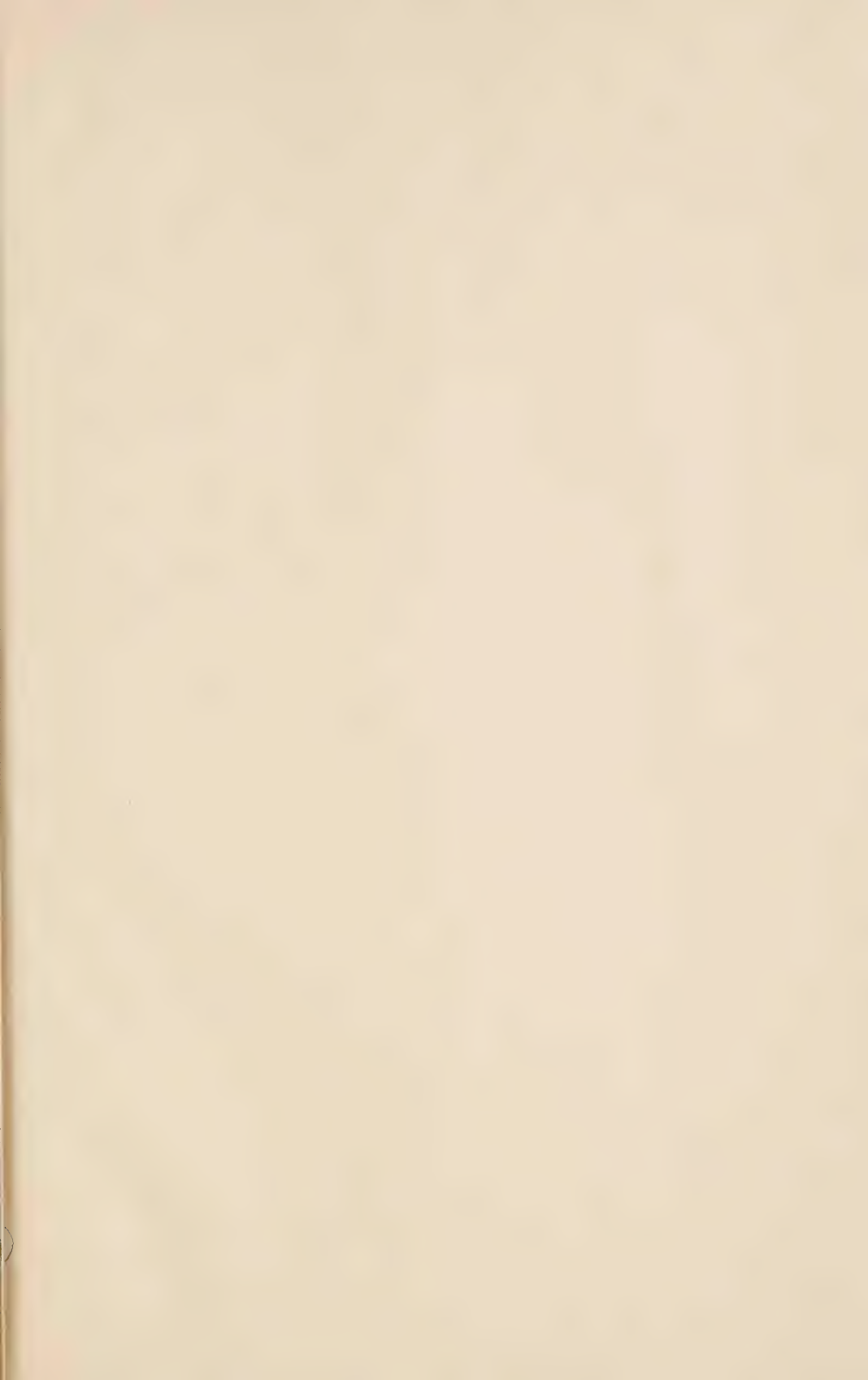


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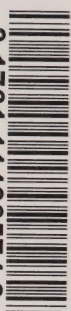




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